

Sectors trading at a premium



Sectors trading at a discount

- Infrastructure
- Utilities
- Consumer Durables
- Real Estate
- Capital Goods
- Chemicals
- Banks - PSU
- Technology
- Cement
- Healthcare
- Oil & Gas
- Logistics
- NBFC
- Consumer
- Metals
- Retail
- Banks - Private
- Auto
- Media
- Telecom

BULLS & BEARS

INDIA VALUATIONS HANDBOOK

HIGHLIGHTS – NOV'24 EDITION

- Nifty ends lower for the second consecutive month
- Second successive month of FII outflows; DII inflows remain strong
- Midcaps & smallcaps outperform largecaps in Nov'24
- Technology, Capital Goods, Real Estate, Telecom, and PSU Banks the top performers
- Two-thirds of the sectors trade at a premium to their historical average
- Over the last 12 months, global market cap rises 17.5% (USD18.7t), whereas India's market cap surges 36.6%
- Top 10 countries constitute ~84% of the global market cap as of Nov'24

STRATEGY

Markets remain volatile; DII inflows keep Indian equities afloat

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DEEP-DIVE FOR THE MONTH

NBFCs: Valuations turn reasonable as froth eases

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INDIAN EQUITIES

Market corrects for the second consecutive month; Nifty down 0.3% MoM in Nov'24

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GLOBAL EQUITIES

India among the laggards in Nov'24

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SECTOR VALUATIONS

Two-thirds of the sectors trade at a premium to their historical average

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COMPANY VALUATIONS

Two-thirds of the Nifty constituents trade at a premium to their historical average



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About the product

As the tagline suggests, **BULLS & BEARS** is a monthly handbook on valuations in India. It covers:

- Valuations of Indian market vs. global markets
- Current valuations of companies across sectors
- Sectors that are currently valued at a premium/discount to their historical long-period average

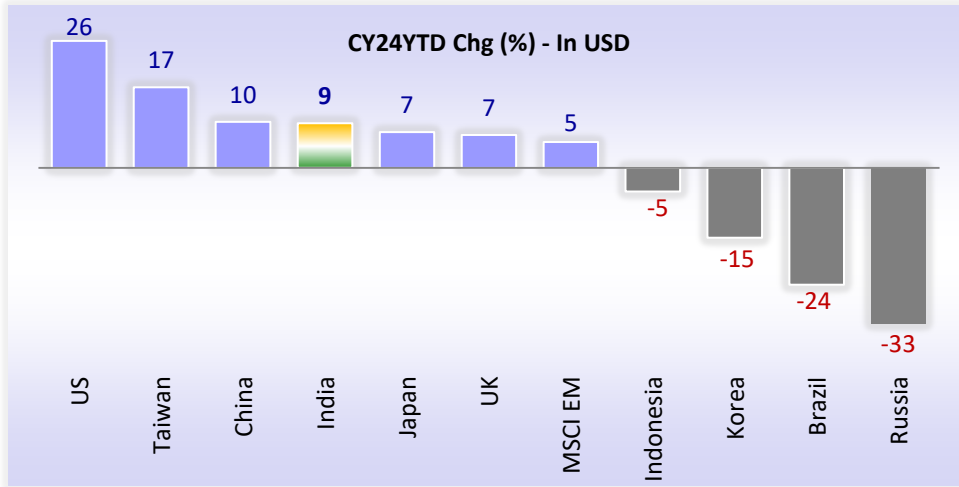
NOTES:

- Prices as of 29th Nov'24
- **BULL icon:**  Sectors trading at a premium to their historical average
- **BEAR icon:**  Sectors trading at a discount to their historical average
- Valuations are on a 12-month forward basis, unless mentioned otherwise
- Sector valuations are based on MOSL coverage companies
- Data on global equities is sourced from Bloomberg; Nifty valuations are based on MOFSL estimates

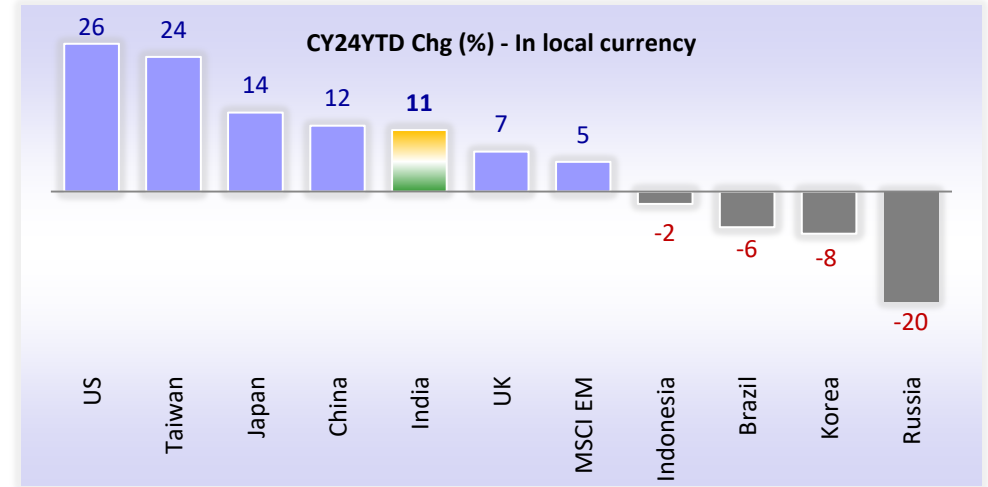
Investors are advised to refer to the important disclosures appended at the end of this report.

- Nifty-50 ends lower for the second consecutive month:** The Nifty further corrects marginally by 0.3% MoM in Nov'24 after a 6.2% decline in Oct'24. The Nifty-50 closed in the red for the second consecutive month. Notably, the benchmark index was extremely volatile and hovered around 1,274 points before closing 74 points lower. The Nifty-50 is up 11% in CY24YTD. During the last 12 months, midcaps and smallcaps have gained 31% and 32%, respectively, and outperformed largecaps, which have risen 20%. During the last five years, midcaps have outperformed largecaps by 127%, while smallcaps have outperformed largecaps by 121%.
- Second successive month of FII outflows; DII inflows remain strong:** In Nov'24, DIIs recorded inflows of USD5.3b. In contrast, FIIs recorded the second consecutive month of outflows at USD2.2b. FII outflows into Indian equities stand at USD2.1b in CY24YTD vs. inflows of USD21.4b in CY23. DII inflows into equities in CY24YTD continue to be strong at USD58.9b vs. USD22.3b in CY23.
- Breadth adverse in Nov'24:** Among sectors, Technology (+7%), Capital Goods (+2%), Real Estate (+2%), Telecom (+2%), PSU Banks (+1%), and Financials (+1%) were the gainers. Conversely, Oil & Gas (-5%), Utilities (-4%), Metals (-3%), Healthcare (-2%), and Consumer (-2%) were the top laggards MoM. Among stocks, M&M (+9%), Bharat Electronics (+8%), TCS (+8%), Tech Mahindra (+6%), and Infosys (+6%) were the top performers, while Adani Enterprises (-16%), Asian Paints (-16%), Britannia (-14%), Adani Ports (-14%), and SBI Life (-11%) were the key laggards.
- India among the laggards in Nov'24:** Among the key global markets, the US (+6%), the UK (+2%), Russia (+2%), and China (+1%) ended higher in local currency terms. However, Indonesia (-6%), Korea (-4%), MSCI EM (-4%), Brazil (-3%), Taiwan (-2%), Japan (-2%), and India (-0%) ended lower MoM in Nov'24. Over the last 12 months, the MSCI India Index (+25%) has outperformed the MSCI EM Index (+9%). Over the last 10 years, the MSCI India Index has notably outperformed the MSCI EM index by a robust 165%.
- Corporate earnings moderate YoY following a healthy 21% CAGR over FY20-24:** After recording a healthy 21% CAGR over FY20-24, corporate earnings have moderated in 1HFY25. Earnings for the MOFSL Universe (-1% YoY) and Nifty-50 (+4% YoY) in 2QFY25 were the lowest in 8 and 17 quarters, respectively. However, excluding global commodities, earnings were strong at 12%/11% YoY for MOFSL/Nifty-50 Universe. Since Aug'24, we have cut our FY25E for Nifty EPS by 5%, and we now expect a modest 5% growth for Nifty earnings in FY25, the first year of single-digit growth in five years. However, compared to the muted 1H, we expect corporate earnings to recover in 2HFY25 (9% YoY growth for MOFSL Universe in 2HFY25 vs. flat YoY performance in 1H), aided by a rise in rural spending, a buoyant wedding season in 2HFY25 (30% higher weddings YoY), and a pick-up in government spending.
- Our view:** Indian stock markets corrected ~8% from the top over Sep-Nov'24, due to a variety of factors, viz. earnings moderation and elevated valuations in midcaps and smallcaps, along with global factors, such as a fragile geopolitical backdrop in the Middle East and a strengthening dollar index following the Trump victory. FIIs sold equities worth ~USD13b in Oct-Nov'24. The correction has cooled off the valuations in largecaps, even as mid/smallcaps trade at expensive multiples. Nifty-50 is now trading at 19.5x FY26E EPS, while mid-cap/small-cap indices are trading at 30x/24x one-year forward P/E multiples, off from the Sep'24 highs but still rich vs. their own history as well as relative to Nifty-50. [Our model portfolio](#) reflects our conviction in domestic structural as well as cyclical themes. We are OW on IT, Healthcare, BFSI, Consumer Discretionary, Industrials, and Real Estate. We are UW on Metals, Energy, and Automobiles.
- Top ideas:** **Largecaps** – ICICI Bank, Bharti Airtel, SBI, HCL Technologies, L&T, M&M, Power Grid, Titan, Trent, and Mankind Pharma; **Midcaps and Smallcaps** – Indian Hotels, Cummins India, Persistent Systems, Dixon Tech, Godrej Properties, Coforge, Metro Brands, Global Health, Angel One, PNB Housing, and Cello World.

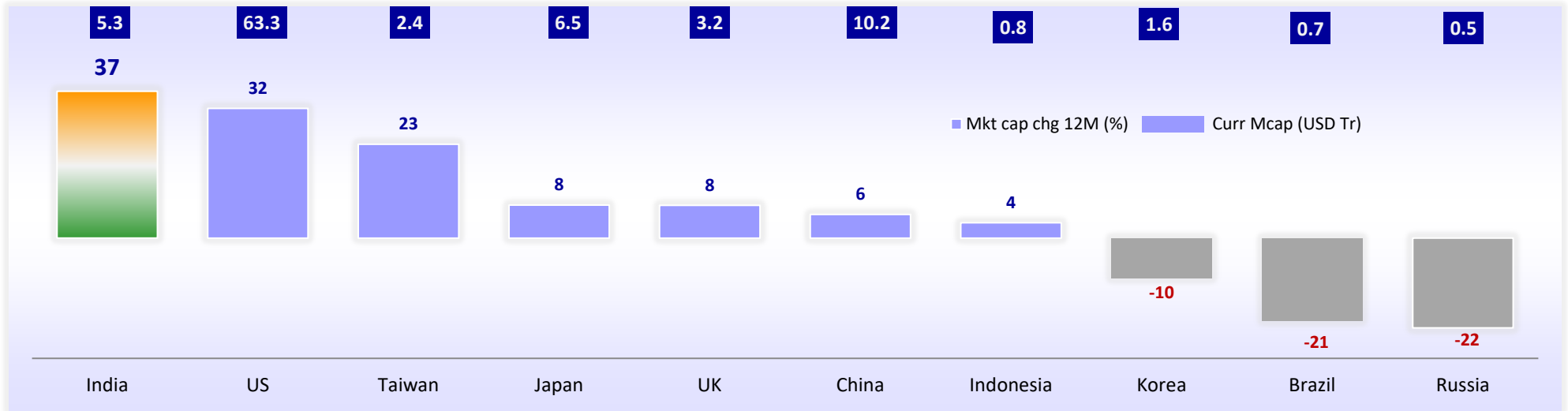
World equity indices in CY24YTD in USD terms (%)



World equity indices in CY24YTD in local currency terms (%)

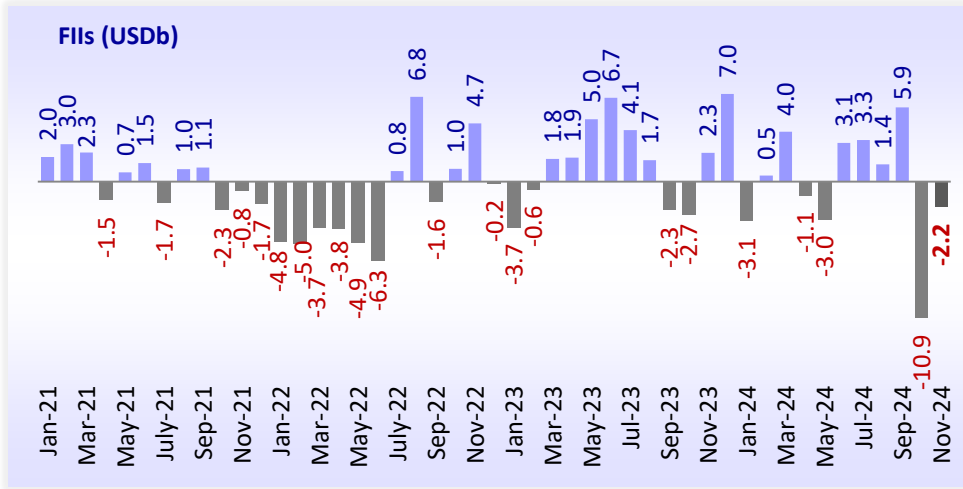


Change in market cap over the last 12 months (%) – Global market cap increase 17.5% (USD18.7t), whereas India’s market cap surges 36.6%

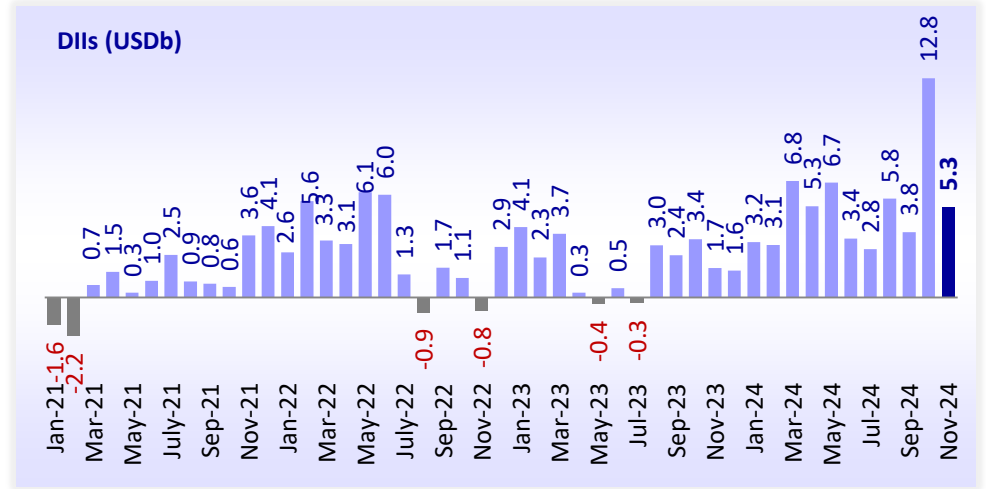


Source: Bloomberg\CEIC

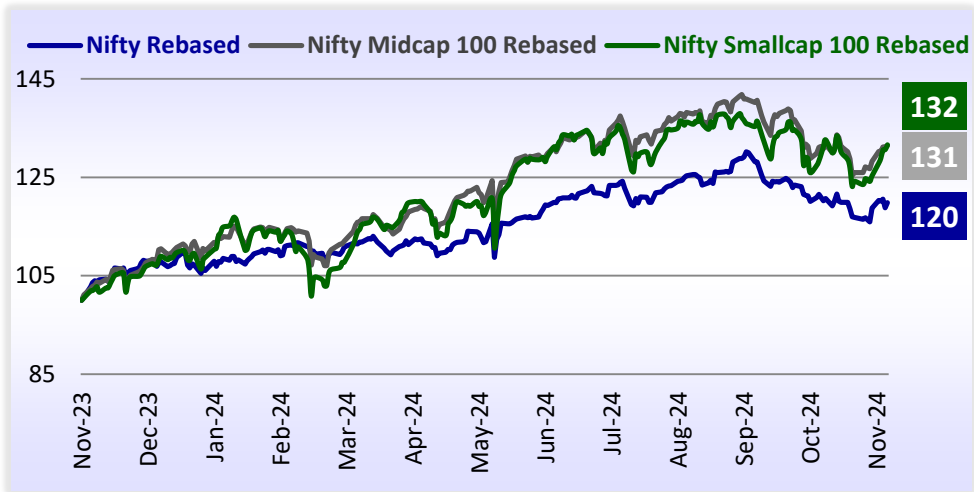
FII record outflows for the second consecutive month



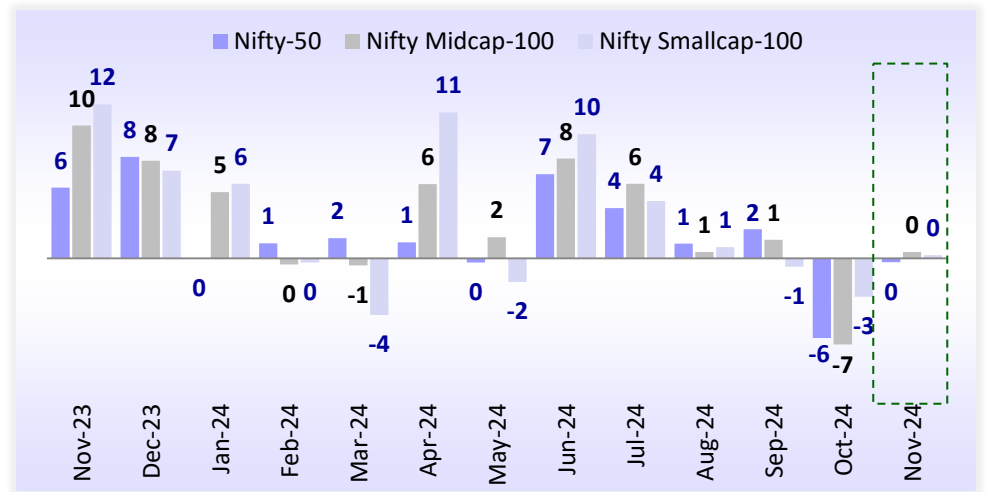
DII's monthly flows remain strong



Performance of midcaps/smallcaps vs. largecaps over the last 12 months

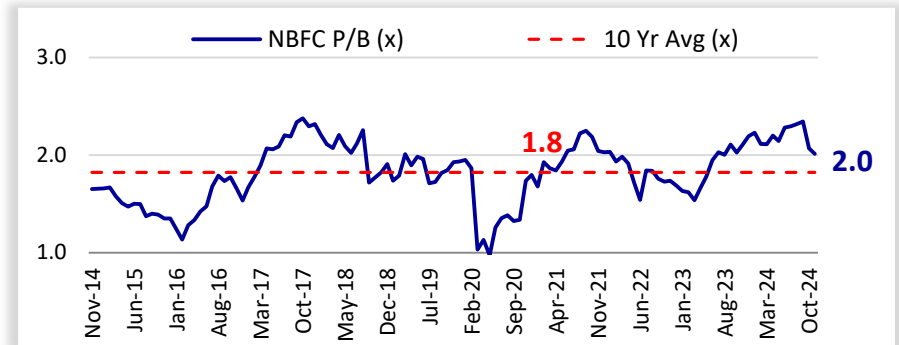


MoM performance (%) – midcaps and smallcaps outperform in Nov'24

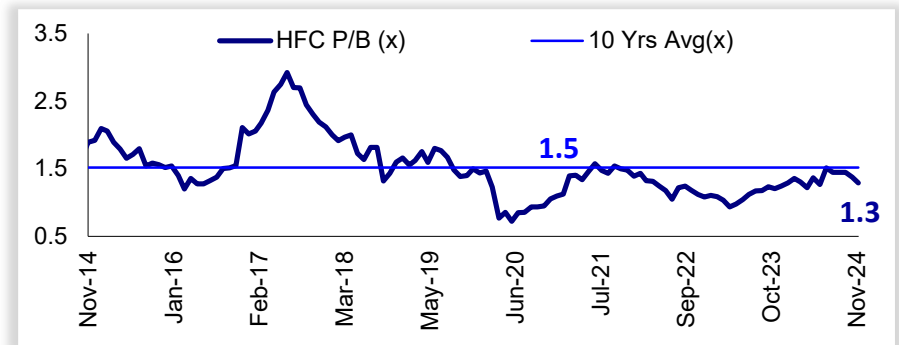


- **NBFCs** trade at a P/B of 2.0x, above its long-term historical range of 1.8x. After the recent stock price correction, we believe that the froth in valuations has come off in some NBFC stocks. In our view, valuations will soon become more comfortable, instead of the unsubstantiated expansion in P/BV multiples we observed in the recent past.
- **HFCs** trade at ~1.3x, below the 10-year average of ~1.5x. Our composite HFC index includes large HFCs, such as LICHF, PNBHF and CANF. Large HFCs (except PNBHF) have struggled to deliver their guided loan growth and have consequently seen de-rating in their multiples over a period. Affordable HFCs continue to deliver stronger loan growth and stable asset quality and command healthier valuations compared to their large peers.
- Valuations of **vehicle financiers** (2.2x P/B) improved in the past one year, mainly because of the re-rating in the valuations of Shriram Finance, aided by its consistent improvement in profitability and no negative surprises. Over the last one month, valuations for HFCs have come off from the peak, primarily because of concerns over weak loan growth in new vehicle finance and associated weakness in asset quality in 1HFY25.
- **Gold lenders'** valuations have improved over the last six month, driven by strong gold loan growth without the associated trade-off with margins. This was aided by high gold prices and the RBI ban on IIFL Finance, which led to lower competitive intensity. With IIFL back in business, gold loan growth for MUTH/MGFL may moderate, resulting in de-rating in valuation multiples.
- Valuations for **NBFC-MFIs** have more than halved over the last six month, due to elevated credit costs and sustained forward flows. We expect this de-rating in valuations to sustain in the near term.
- **Power financiers** have seen their valuations multiples expand compared to two years ago. However, over the last six months, their valuations have largely remained stable and there are now fewer legs for a continued expansion in valuation multiples of REC/PFC.

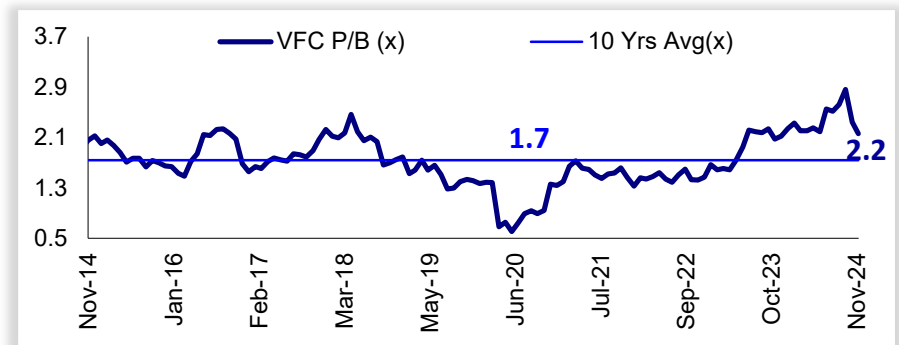
Trend in NBFCs' one-year forward P/B (x)



Trend in HFCs' one-year forward P/B (x)

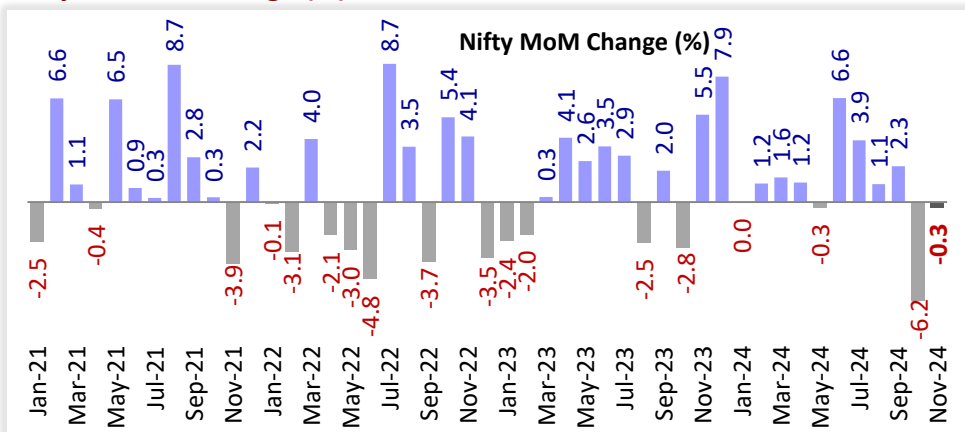


Trend in vehicle financiers' one-year forward P/B (x)

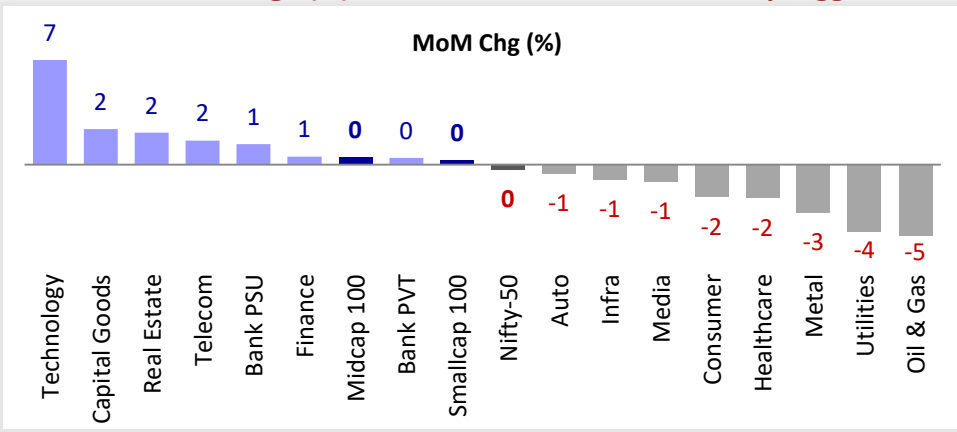


- The Nifty-50 ended marginally lower by 0.3% MoM in Nov'24 – the second consecutive month of a decline. The index oscillated 1,274 points before closing at 74 points (or 0.3% MoM) lower at 24,131. The Nifty is up 11% in CY24YTD.
- Among sectors, Technology (+7%), Capital Goods (+2%), Real Estate (+2%), Telecom (+2%), PSU Banks (+1%), and Financials (+1%) were the gainers. Conversely, Oil & Gas (-5%), Utilities (-4%), Metals (-3%), Healthcare (-2%), and Consumer (-2%) were the top laggards MoM.

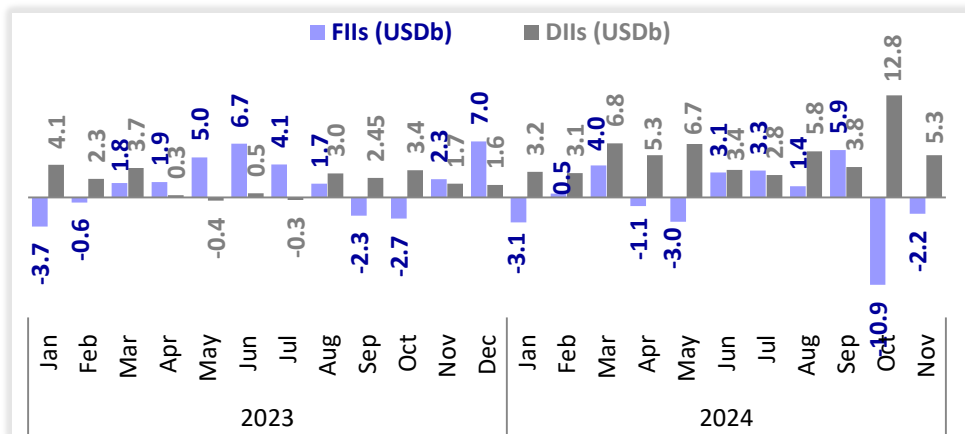
Nifty-50 MoM change (%) – second consecutive month of a decline



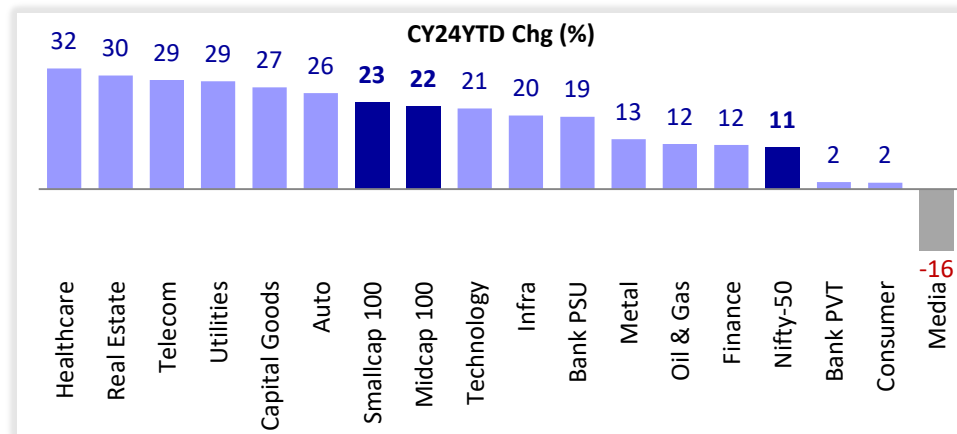
Sectoral MoM change (%) – Oil & Gas, Utilities, Metals top laggards



Institutional flows (USD b) – Second successive month of FII outflows; DII inflows remain strong

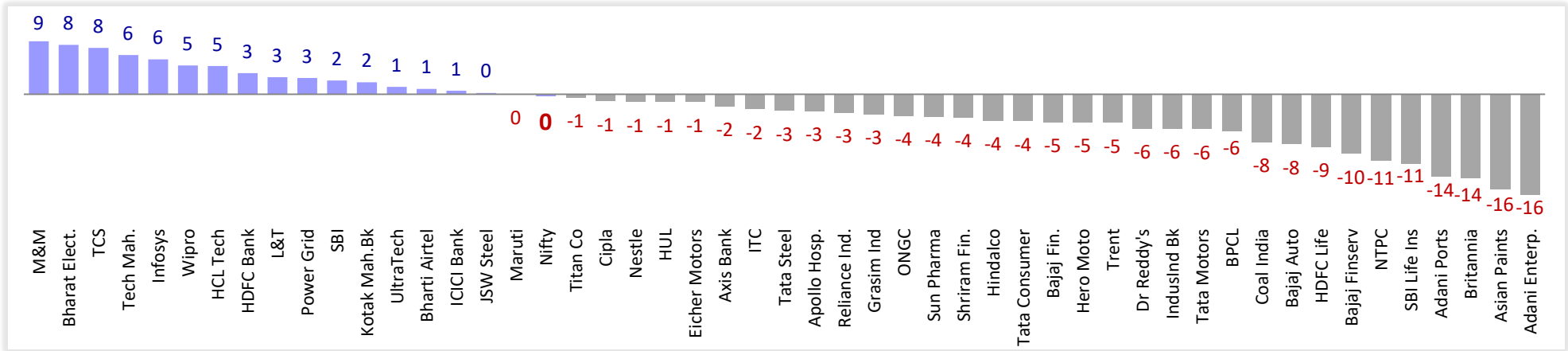


Sectoral CY24YTD change (%) – Healthcare, Real Estate, Telecom, and Utilities top gainers

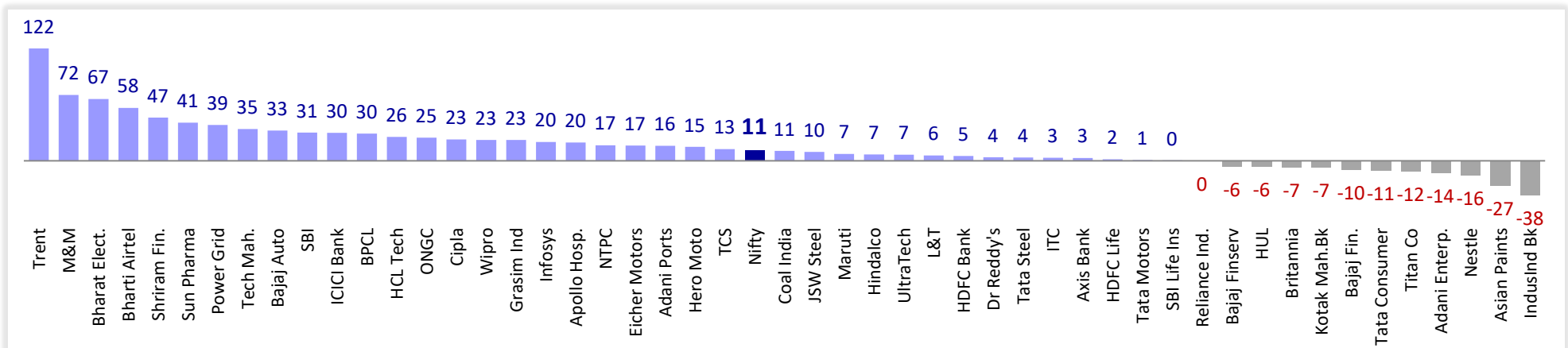


- **Best and worst Nifty performers in Nov'24:** M&M (+9%), Bharat Electronics (+8%), TCS (+8%), Tech Mahindra (+6%), and Infosys (+6%) were the top performers, while Adani Enterprises (-16%), Asian Paints (-16%), Britannia (-14%), Adani Ports (-14%), and SBI Life (-11%) were the key laggards.
- **Best and worst Nifty performers in CY24YTD:** Trent (+122%), M&M (+72%), Bharat Electronics (+67%), Bharti Airtel (+58%), and Shriram Finance (+47%) are the top performers, while Indusind Bank (-38%), Asian Paints (-27%), Nestle (-16%), Adani Enterprises (-14%), and Titan (-12%) are the only laggards.

Best and worst Nifty performers (MoM) in Nov'24 (%) – Breadth adverse; 34 Nifty companies end lower MoM

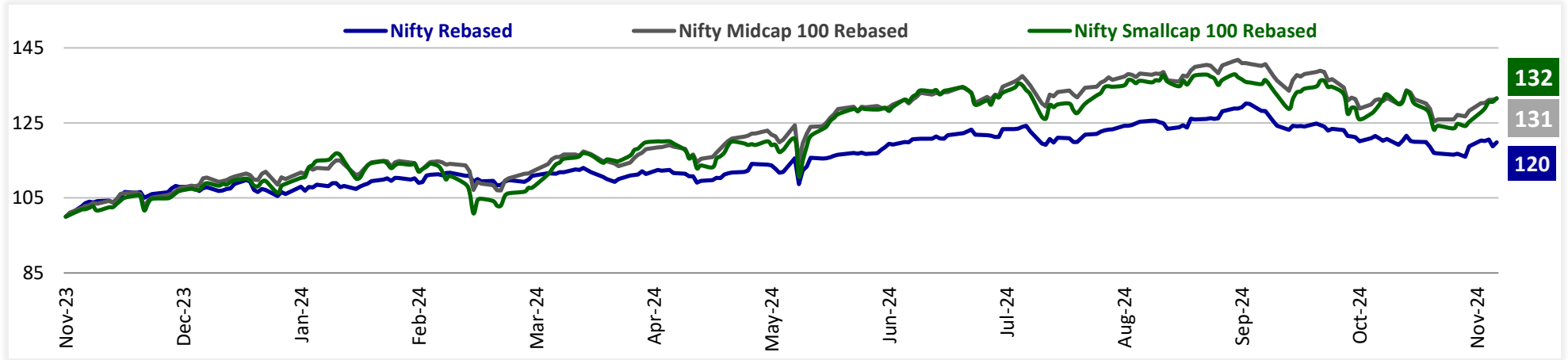


Best and worst Nifty performers in CY24YTD (%) – 76% of the constituents trading higher

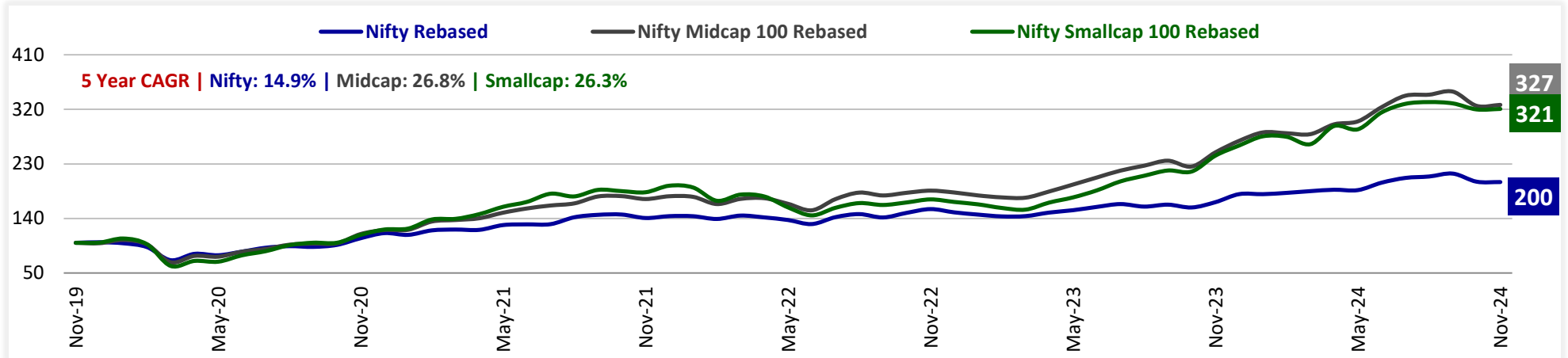


- During the last 12 months, midcaps and smallcaps have gained 31% and 32%, respectively, and outperformed largecaps, which have risen 20%. During the last five years, midcaps have outperformed largecaps by 127%, while smallcaps have outperformed largecaps by 121%.

Performance of midcaps and smallcaps vs. largecaps over the last 12 months

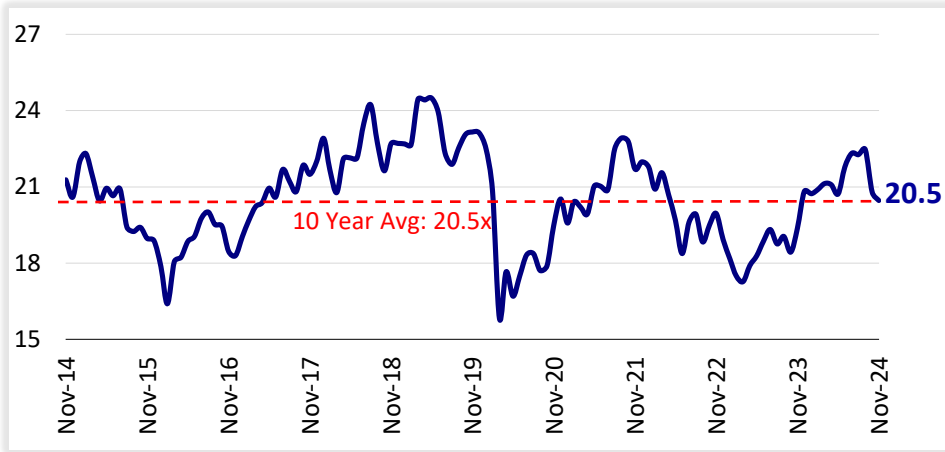


Performance of midcaps and smallcaps vs. largecaps over the last five years

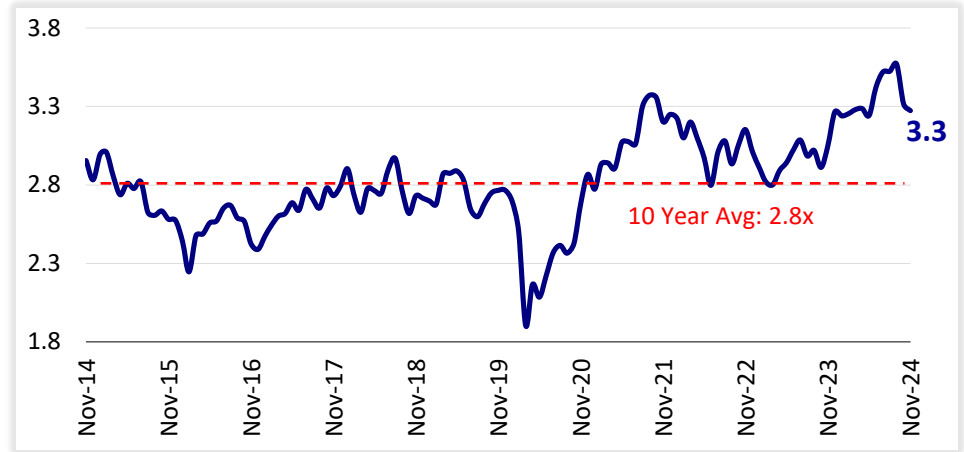


- The Nifty is trading at a 12-month forward P/E ratio of 20.5x, at its LPA of 20.5x. Conversely, its P/B ratio of 3.3x represents a 16% premium to its historical average of 2.8x.
- The 12-month trailing P/E for the Nifty, at 23.2x, is near its LPA of 22.6x (at a 3% premium). At 3.7x, the 12-month trailing P/B ratio for the Nifty is above its historical average of 3.1x (at an 18% premium).

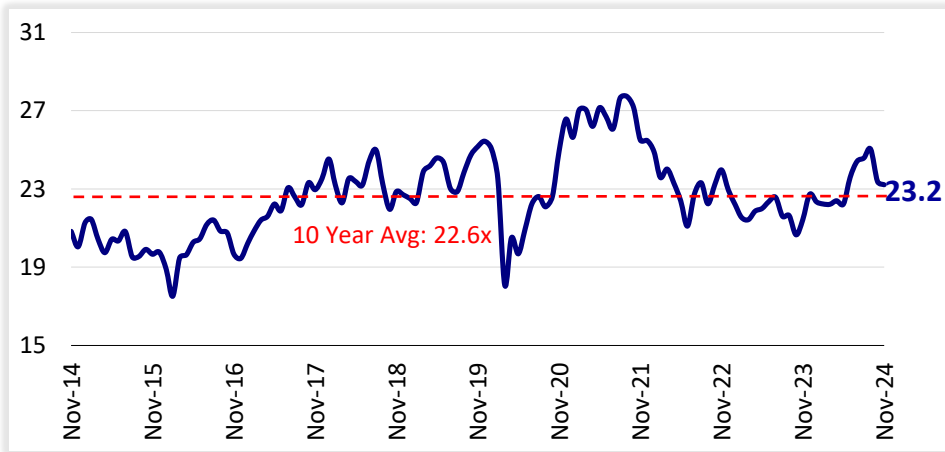
12-month forward Nifty P/E ratio (x)



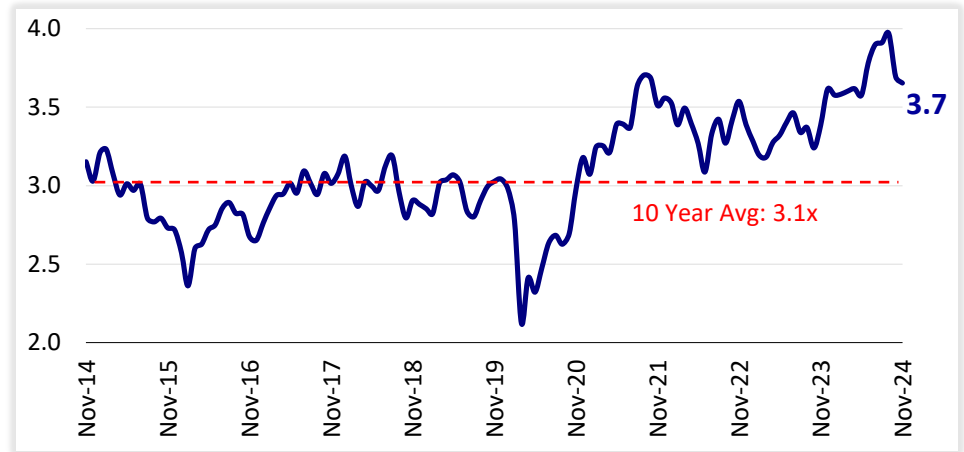
12-month forward Nifty P/B ratio (x)



Trailing Nifty P/E ratio (x)

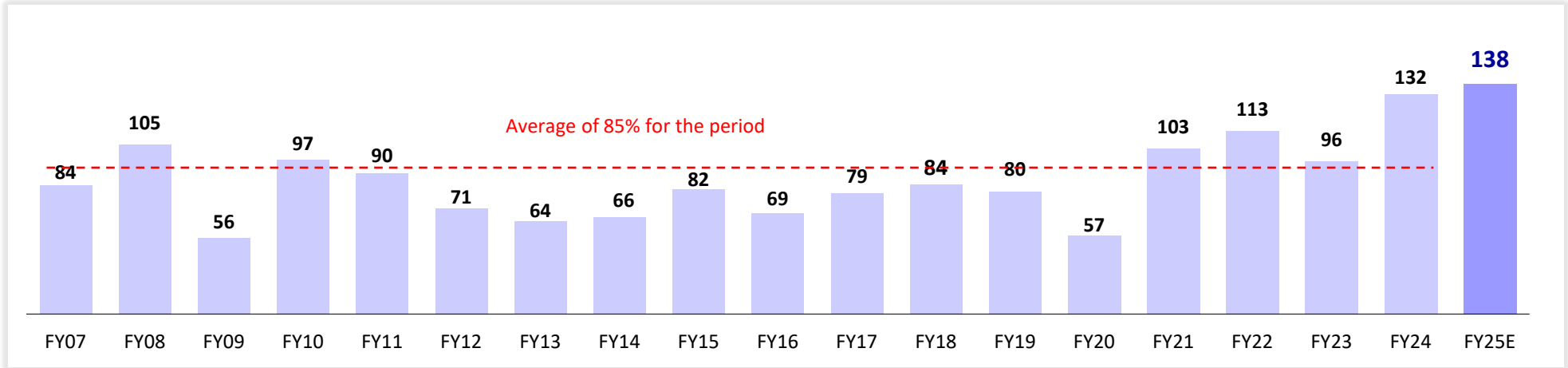


Trailing Nifty P/B ratio (x)

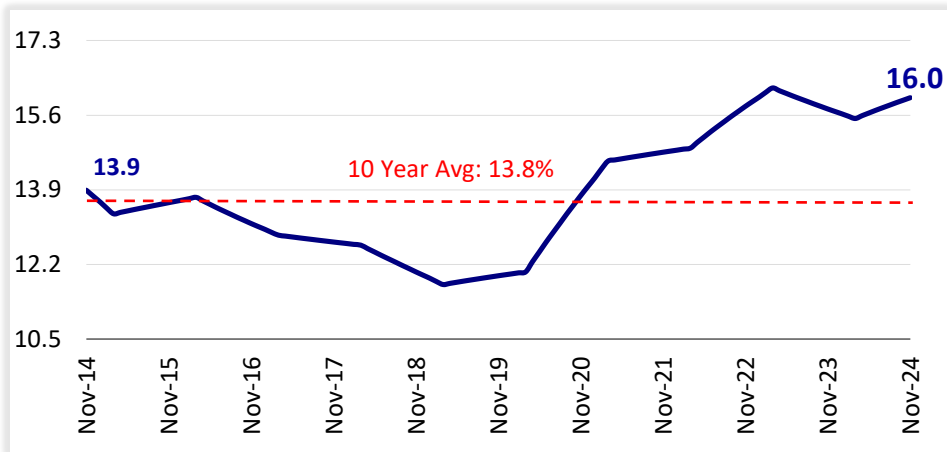


- India's market capitalization-to-GDP ratio has been volatile, plummeting to 57% (of FY20 GDP) in Mar'20 from 80% in FY19 and then sharply reviving to 132% in FY24. It is now at 138% of FY25E GDP (of 10.8% YoY), above its long-term average of 85%.
- The Nifty is trading at a 12-month forward RoE of 16%, above its long-term average.

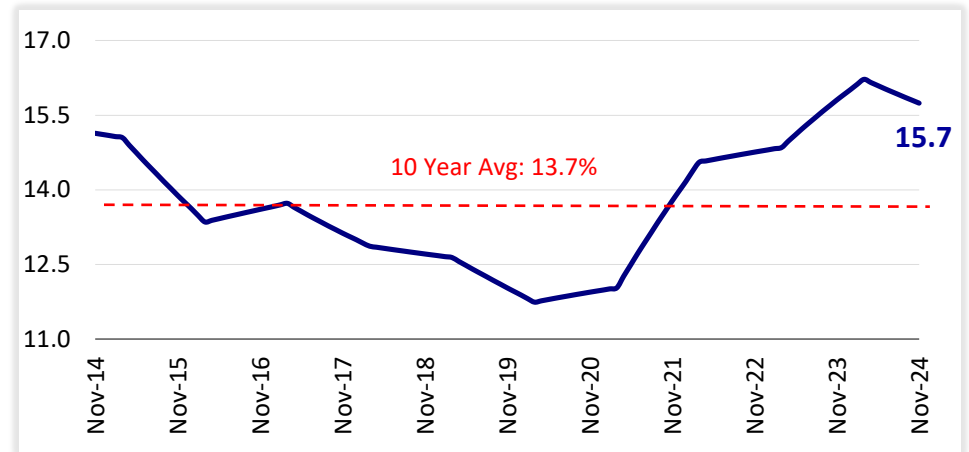
India's market capitalization-to-GDP ratio (%) at its year-end high



12-month forward Nifty RoE (%)



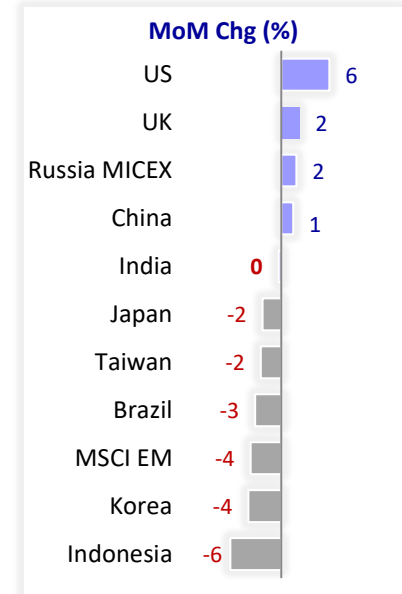
Trailing Nifty RoE (%)



- Among the key global markets, the US (+6%), the UK (+2%), Russia (+2%), and China (+1%) ended higher in local currency terms. However, Indonesia (-6%), Korea (-4%), MSCI EM (-4%), Brazil (-3%), Taiwan (-2%), Japan (-2%), and India (-0%) ended lower MoM in Nov'24.
- Indian equities have been trading at 22.8x FY25E earnings. The key markets continued to trade at a discount to India.

India (Nifty) vs. other markets

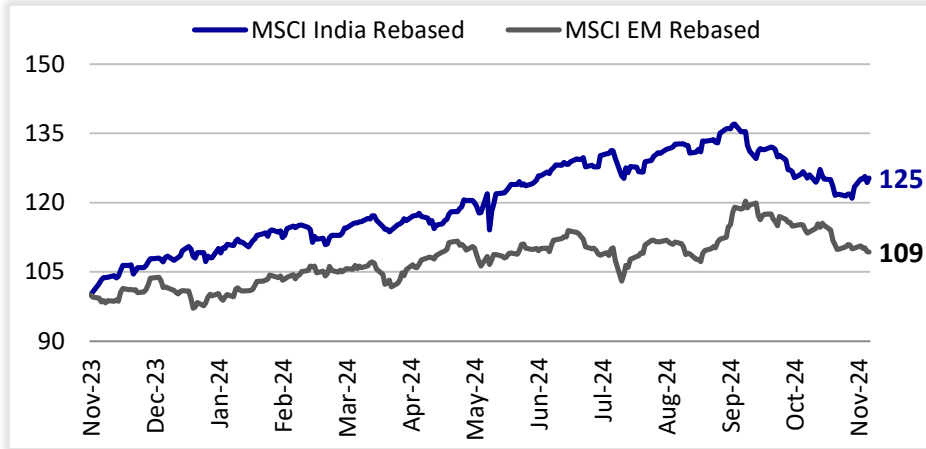
	Index Value	Mkt Cap (USD T)	CY24YTD Chg (%)		PE (x)		Prem / Disc to India PE (%)		PB (x)		RoE (%)	
			Local Currency	In USD	CY23 / FY24	CY24E / FY25E	CY23 / FY24	CY24E / FY25E	CY23 / FY24	CY24E / FY25E	CY23 / FY24	CY24E / FY25E
US	6,032	63.3	26	26	27.3	24.9	14	9	5.7	5.1	17.9	17.8
MSCI EM	1,079	21.2	5	5	14.8	13.3	-38	-42	1.7	1.6	11.0	11.9
China	3,326	10.2	12	10	14.0	13.3	-42	-42	1.5	1.3	9.7	10.1
Japan	38,208	6.5	14	7	29.7	20.0	24	-12	2.2	2.0	7.4	9.9
India	24,131	5.3	11	9	24.0	22.8			3.9	3.5	16.2	15.5
UK	8,287	3.2	7	7	11.1	12.1	-54	-47	1.9	1.8	16.4	13.5
Taiwan	22,263	2.4	24	17	26.1	17.7	9	-22	2.6	2.7	10.1	15.1
Korea	2,456	1.6	-8	-15	13.3	10.0	-45	-56	0.8	0.9	4.8	9.0
Indonesia	7,114	0.8	-2	-5	15.5	13.0	-36	-43	2.0	1.8	10.6	14.4
Brazil	1,25,668	0.7	-6	-24	8.9	8.3	-63	-64	1.5	1.2	16.2	14.3
Russia	4,762	0.5	-20	-33	6.4	5.0	-73	-78	0.7	0.7	14.6	14.9



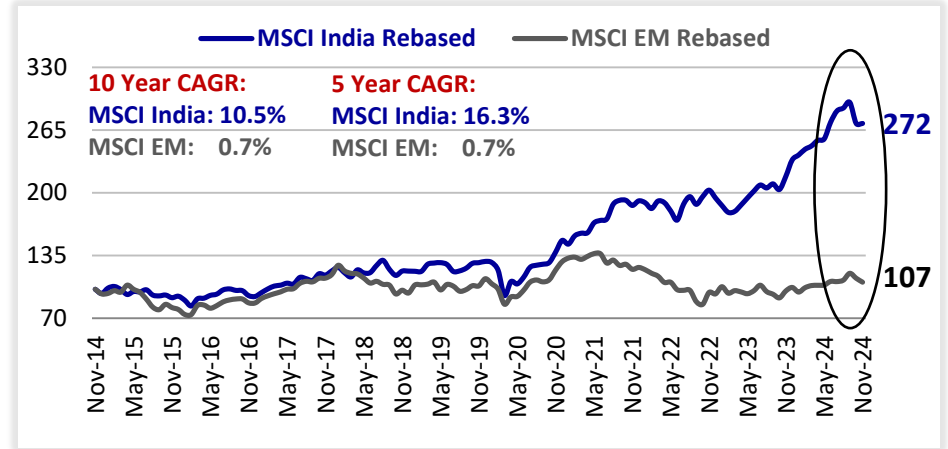
Source: Bloomberg/CEIC/MOFSL

- Over the last 12 months, the MSCI India Index (+25%) has outperformed the MSCI EM Index (+9%). Over the last 10 years, the MSCI India Index has notably outperformed the MSCI EM index by a robust 165%.
- In P/E terms, the MSCI India Index is trading at a 100% premium to the MSCI EM Index, above its historical average premium of 78%.

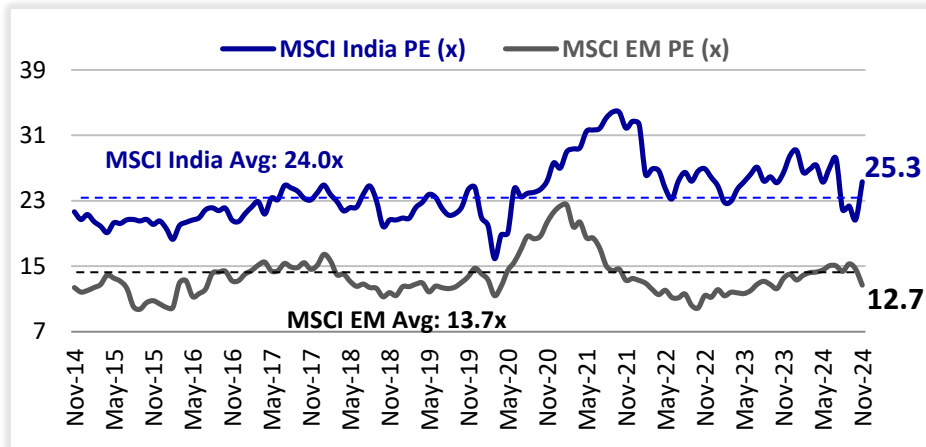
Performance of MSCI EM vs. MSCI India over the last 12 months



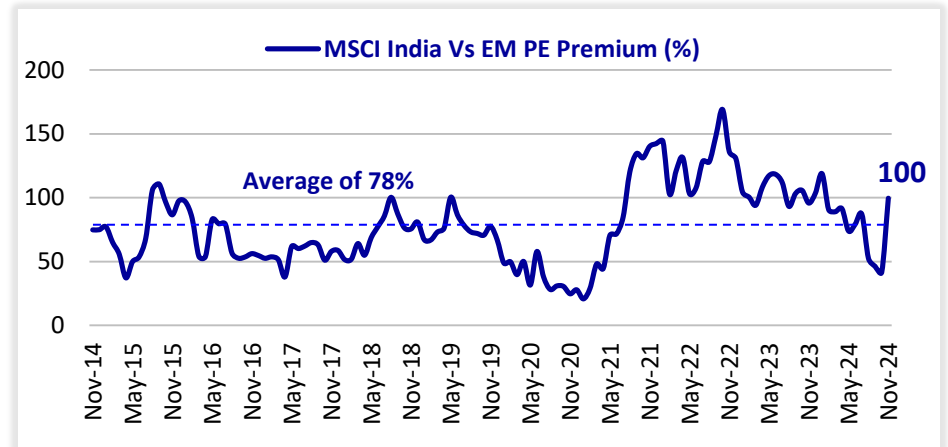
MSCI India notably outperforms MSCI EM by 165% in the last 10 years



Trailing P/E ratio (x) for MSCI India vs. MSCI EM



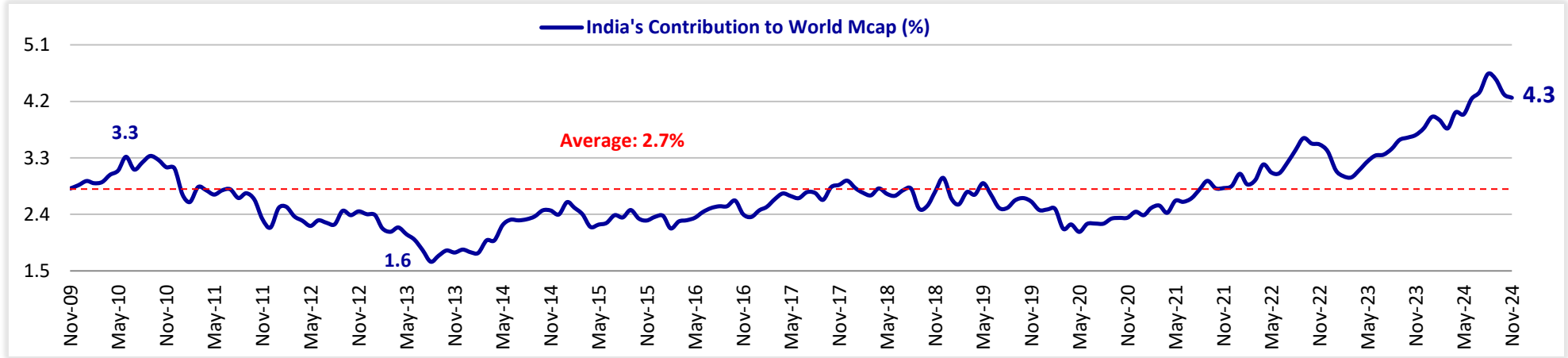
In P/E terms, MSCI India trades at a premium (%) to MSCI EM



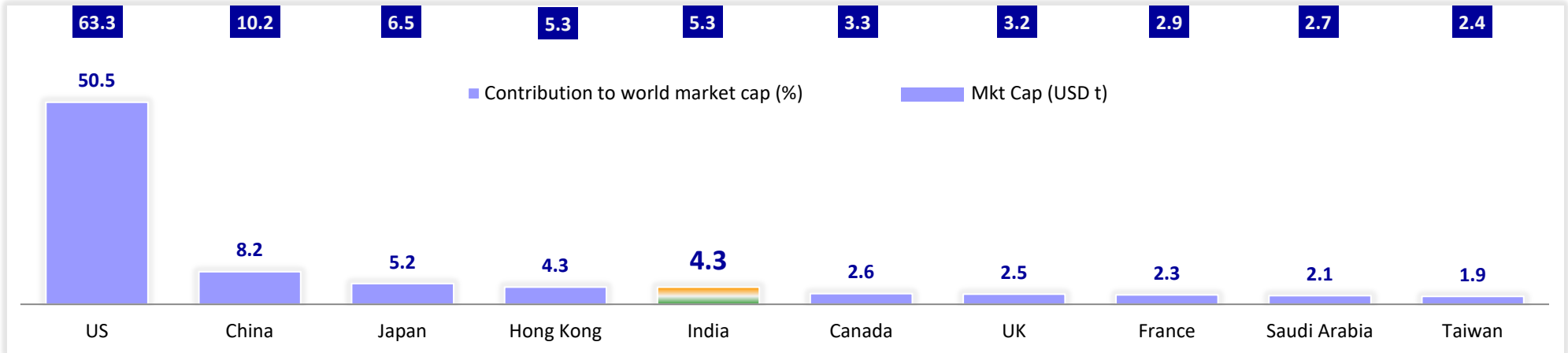
Source: Bloomberg

- India's share of the global market cap stood at 4.3%, above its historical average of 2.7%.
- India is among the top 10 contributors to the global market cap. The top 10 contributors accounted for ~84% of the global market cap as of Nov'24.

Trend in India's contribution to the global market cap (%)



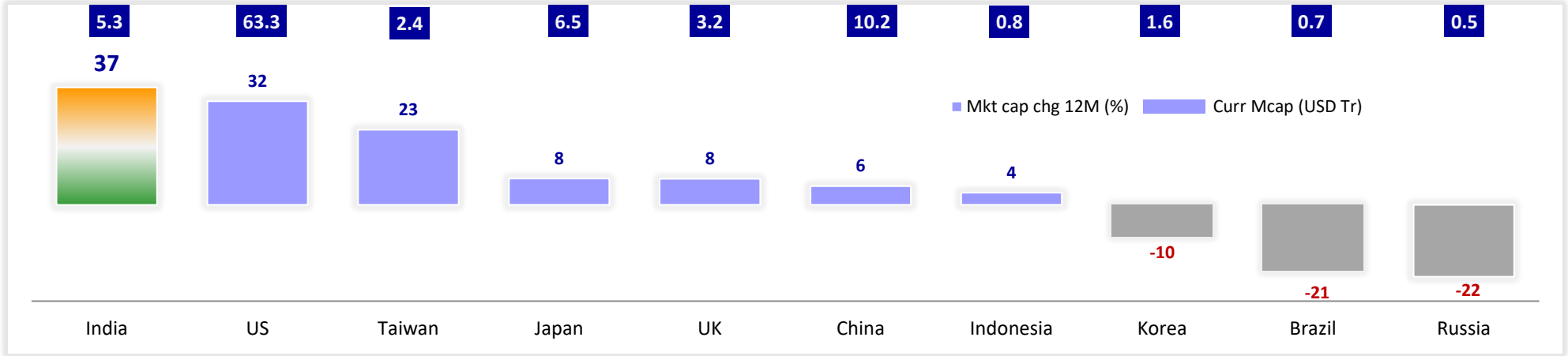
Top 10 countries constituted ~84% of the global market cap as of Nov'24



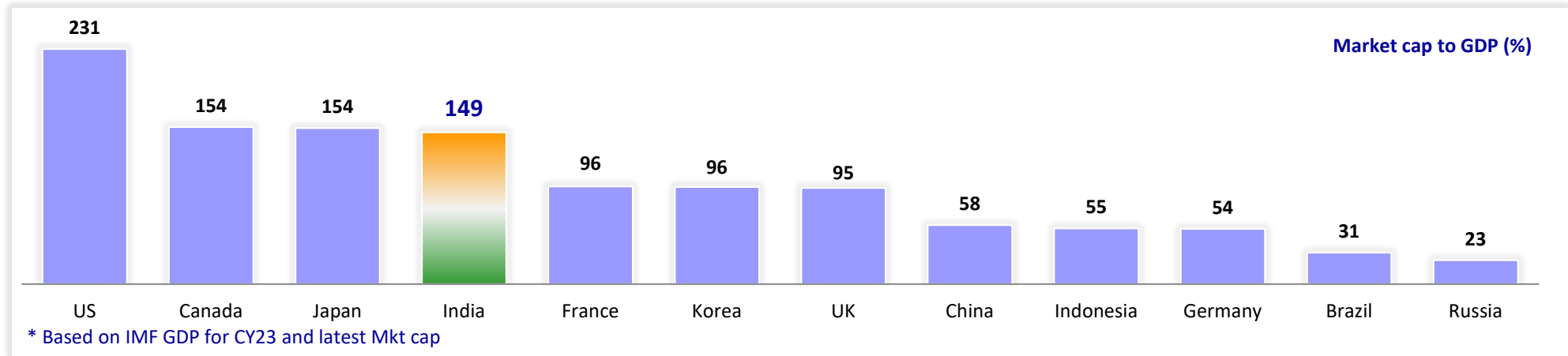
Source: Bloomberg\CEIC

- Over the last 12 months, global market cap increased 17.5% (USD18.7t), whereas India's market cap surged 36.6%.
- Barring Russia, Brazil, and Korea, all key global markets have witnessed a rise in market cap over the last 12 months.

Change in market cap over the last 12 months (%)



Global market capitalization-to-GDP ratio (%)



Source: Bloomberg, CEIC, IMF's

- **Companies trading at a significant premium to their historical average:** Bharat Electronics (+246%), Power Grid Corp. (+96%), Grasim Industries (+84%), Tech Mahindra (+63%), and HCL Tech (+60%).
- **Companies trading at a significant discount to their historical average:** Dr Reddy's Labs (-38%), Coal India (-32%), Apollo Hospitals (-28%), Maruti Suzuki (-24%), and ONGC (-17%).

Valuations of Nifty constituents

Name	Sector	PE (x)			Relative to Nifty P/E (%)		PB (x)			Relative to Nifty P/B (%)	
		Current	10 Yr Avg	Prem/Disc (%)	Current	10 Yr Avg	Current	10 Yr Avg	Prem/Disc (%)	Current	10 Yr Avg
Bajaj Auto	Auto	25.1	18.6	35	23	-10	8.5	4.7	82	161	66
Eicher Motors	Auto	28.9	31.7	-9	41	54	5.8	7.1	-19	77	152
Hero MotoCorp	Auto	19.7	18.4	7	-4	-11	4.8	4.5	6	46	59
Mahindra & Mahindra	Auto	26.8	18.7	43	31	-9	5.2	2.8	84	58	-1
Maruti Suzuki	Auto	23.0	30.3	-24	12	48	3.5	4.1	-15	6	45
Tata Motors	Auto	NA	17.0	NA	NA	-17	2.4	2.1	14	-27	-26
Axis Bank	BFSI - Pvt Banks	12.1	38.3	-68	-41	86	1.8	2.0	-10	-45	-29
HDFC Bank	BFSI - Pvt Banks	18.7	20.7	-10	-9	1	2.6	3.2	-19	-22	12
ICICI Bank	BFSI - Pvt Banks	18.4	21.7	-15	-10	6	3.0	2.2	38	-9	-24
IndusInd Bank	BFSI - Pvt Banks	8.5	18.8	-55	-58	-8	1.0	2.4	-57	-68	-16
Kotak Mahindra Bank	BFSI - Pvt Banks	17.0	26.6	-36	-17	30	2.2	3.3	-35	-34	17
State Bank	BFSI - PSU Banks	8.8	12.0	-27	-57	-42	1.4	1.1	26	-56	-60
Bajaj Finance	BFSI - NBFC	20.7	31.1	-33	1	51	3.7	5.2	-29	13	83
Shriram Finance	BFSI - NBFC	12.0	10.5	14	-41	-49	1.9	1.4	31	-43	-49
HDFC Life Ins	BFSI - Insurance	72.5	86.4	-16	254	321	2.3	4.2	-45	-30	47
SBI Life Ins	BFSI - Insurance	58.7	59.5	-1	187	190	1.8	2.4	-25	-45	-16
Bharat Electronics	Capital Goods	40.2	11.6	246	96	-43	9.5	2.6	271	190	-10
Larsen & Toubro	Capital Goods	29.0	23.4	24	42	14	4.7	3.0	58	45	6
Grasim Inds	Cement	27.6	15.0	84	35	-27	3.1	1.9	69	-4	-34
Ultratech Cement	Cement	40.0	34.8	15	96	70	4.4	3.6	25	35	26
Asian Paints	Consumer	47.1	55.8	-16	130	172	11.8	14.3	-17	261	406
Britannia Inds.	Consumer	48.2	47.2	2	136	130	24.6	20.7	19	653	631
Hind. Unilever	Consumer	50.8	52.9	-4	148	157	11.2	21.5	-48	242	661
ITC	Consumer	26.9	24.0	12	32	17	7.5	5.7	31	128	101
Nestle India	Consumer	60.3	59.5	1	195	190	46.4	48.5	-4	1319	1613
Tata Consumer	Consumer	52.3	47.5	10	155	131	3.7	3.2	17	14	13

Name	Sector	PE (x)			Relative to Nifty P/E (%)		PB (x)			Relative to Nifty P/B (%)	
		Current	10 Yr Avg	Prem/Disc (%)	Current	10 Yr Avg	Current	10 Yr Avg	Prem/Disc (%)	Current	10 Yr Avg
Apollo Hospitals	Healthcare	58.6	81.9	-28	186	299	10.1	6.9	47	209	142
Cipla	Healthcare	25.3	27.2	-7	23	32	3.7	3.3	10	12	18
Dr Reddy's Labs	Healthcare	15.8	25.3	-38	-23	23	2.7	3.5	-23	-18	23
Sun Pharma	Healthcare	31.8	29.8	7	56	45	5.2	3.9	33	59	39
Adani Ports	Logistics	20.8	18.7	11	2	-9	3.7	3.3	10	12	18
Coal India	Metals	6.5	9.6	-32	-68	-53	2.3	4.5	-49	-31	58
Hindalco	Metals	10.1	9.2	10	-51	-55	1.4	1.2	24	-56	-59
JSW Steel	Metals	17.3	14.9	17	-15	-27	2.5	1.9	34	-24	-34
Tata Steel	Metals	14.4	15.8	-8	-29	-23	2.0	1.3	58	-40	-56
BPCL	Oil & Gas	11.9	9.8	22	-42	-52	1.5	1.9	-20	-54	-34
ONGC	Oil & Gas	5.7	6.9	-17	-72	-66	0.8	0.9	-5	-75	-69
Reliance Inds.	Oil & Gas	21.8	17.5	24	6	-15	1.9	1.5	26	-41	-46
Titan Co	Retail	64.9	60.7	7	217	195	20.2	15.0	35	518	431
Trent	Retail	113.5	89.6	27	455	336	30.8	9.8	214	841	247
HCL Technologies	Technology	26.7	16.7	60	31	-18	7.5	3.9	91	130	39
Infosys	Technology	27.1	20.5	32	33	0	8.7	5.6	56	166	97
TCS	Technology	28.2	24.0	18	38	17	15.5	10.0	54	373	255
Tech Mahindra	Technology	29.3	17.9	63	43	-13	5.4	3.2	68	66	14
Wipro	Technology	24.2	17.9	35	18	-13	4.1	3.0	37	24	5
Bharti Airtel	Telecom	38.5	40.1	-4	88	95	8.6	3.8	124	162	35
NTPC	Utilities	15.0	9.5	57	-27	-54	1.9	1.1	74	-41	-61
Power Grid Corp.	Utilities	18.2	9.3	96	-11	-55	3.3	1.6	110	1	-44
Nifty		20.5	20.5	0			3.3	2.8	16		

- In Nov'24, the Nifty Midcap 100 was up 0.5% vs. a 0.3% MoM decline for the Nifty-50.
- The best Nifty Midcap-100 performers in Nov'24 were Indian Hotels (+17%), Biocon (+16%), Coforge (+14%), Polycab (+13%), and Dixon Tech. (+12%).

Company	PE (x)			Relative to Nifty P/E (%)		PB (x)			Relative to Nifty P/B (%)		Price Chg (%)	
	Current	10 Yr Avg	Prem/Disc (%)	Current	10 Yr Avg	Current	10 Yr Avg	Prem/Disc (%)	Current	10 Yr Avg	MoM	CY24YTD
Indian Hotels Co	NA	69.9	NA	NA	240	9.0	4.6	93	174	64	17	81
Biocon	93.3	60.4	55	356	194	2.1	3.5	-40	-36	25	16	46
Coforge	41.7	22.8	83	104	11	12.5	5.1	144	282	81	14	38
Polycab India	51.2	28.1	82	150	37	10.2	5.3	92	211	87	13	33
Dixon Technolog.	97.0	57.2	70	374	179	29.8	12.9	131	809	355	12	141
Jubilant Food.	94.0	74.0	27	359	260	17.8	13.0	36	443	361	12	14
Ashok Leyland	20.5	21.4	-5	0	4	6.0	4.3	38	82	53	11	28
Kalyan Jewellers	73.2	31.7	131	258	54	14.4	4.9	190	339	75	10	105
Persistent Sys	55.5	25.2	120	171	23	14.0	4.7	197	326	66	10	60
Phoenix Mills	43.8	41.4	6	114	102	5.2	2.7	90	59	-3	9	48
M R P L	21.1	14.2	49	3	-31	1.9	1.4	31	-43	-49	5	16
BSE	46.7	21.3	119	128	4	16.0	3.0	432	389	6	5	110
Oil India	10.3	6.5	58	-50	-68	1.5	0.8	92	-54	-72	4	98
NMDC	8.9	6.1	46	-57	-70	2.0	1.2	64	-39	-57	4	10
Page Industries	65.3	66.5	-2	219	224	25.6	27.9	-8	682	886	3	16
ACC	22.3	27.8	-20	9	36	2.2	2.7	-17	-31	-4	-4	1
Aditya Birla Cap	12.4	18.4	-32	-39	-11	1.5	1.9	-16	-53	-35	-4	17
AU Small Finance	15.8	28.6	-45	-23	39	2.3	4.1	-42	-28	44	-5	-26
Escorts Kubota	32.4	18.1	78	58	-12	4.0	2.2	81	22	-22	-5	19
Poonawalla Fin	34.2	39.7	-14	67	93	3.1	2.1	44	-6	-24	-5	-19
Bharat Forge	37.4	43.6	-14	83	112	7.2	5.4	33	120	91	-6	8
Colgate-Palmoliv	48.7	40.6	20	138	98	33.2	24.5	36	915	766	-6	14
Lupin	28.2	38.7	-27	38	89	4.8	3.9	24	46	37	-6	55
Bandhan Bank	6.6	22.4	-71	-68	9	1.0	3.1	-67	-69	9	-7	-30
Hindustan Zinc	18.0	13.3	36	-12	-35	12.2	5.3	131	273	87	-9	59
P I Industries	32.4	32.3	0	58	57	5.4	5.9	-10	64	109	-9	16
Aurobindo Pharma	18.6	16.1	15	-9	-21	2.1	2.7	-23	-37	-6	-10	16
Max Financial	70.3	56.7	24	243	176	1.9	2.5	-26	-43	-10	-12	19
Tube Investments	61.7	43.6	42	202	112	10.4	7.2	44	217	155	-20	1
Indraprastha Gas	13.9	20.8	-33	-32	1	2.2	4.0	-44	-33	40	-22	-22

- The Technology sector is trading at a P/E ratio of 28.3x, at a 36% premium to its long-term average of 20.8x. The demand environment remained relatively stable compared to the previous quarter. While 2Q results were encouraging, various management teams provided a guarded outlook, signaling that a solid pick-up in discretionary spending is yet to be seen.
- The Capital Goods sector is trading at 41.7x one-year forward P/E, above its 10-year average of 28.7x (at a 45% premium), indicating a premium valuation baking in the anticipated capex recovery, ordering momentum, and higher budgetary allocation. On a P/B basis, the sector is trading at 7.6x, a significant premium to its 10-year average multiple of 4x. The sector is witnessing healthy ordering traction, with the government's emphasis on capex-led growth, and the private sector is ramping up as well with healthy bank and corporate balance sheets.
- The Consumer sector's P/E, at 44.5x, implies a 7% premium to its 10-year average of 41.8x. On a P/B basis, it stands at 10.9x, at a premium of 6% to its historical average of 10.3x. Volumes were marginally impacted in 2QFY25 due to several factors, including subdued macroeconomic conditions, inventory corrections by select companies to improve systemic health, and adverse weather conditions such as floods and heavy rains.

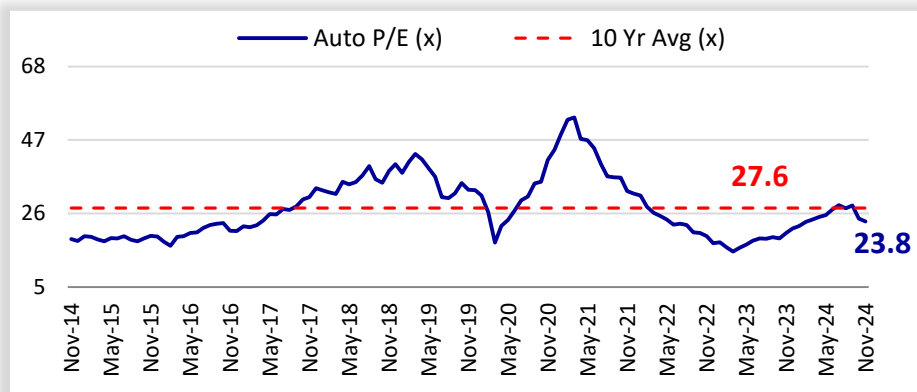
Sector valuations at a glance

Sector	PE (x)			PE Std. Deviation		Relative to Nifty P/E (%)		PB (x)			PB Std. Deviation		Relative to Nifty P/B (%)	
	Current	10 Yr Avg	Prem/Disc (%)	+1SD	-1SD	Current	10 Yr Avg	Current	10 Yr Avg	Prem/Disc (%)	+1SD	-1SD	Current	10 Yr Avg
Auto	23.8	27.6	-13.9	36.4	18.8	16	33	4.3	3.5	23.9	4.1	2.9	31	22
Banks - Private	16.4	21.1	-22.4	26.4	15.8	-20	2	2.4	2.5	-6.7	2.8	2.2	-28	-10
Banks - PSU	7.5	9.9	-24.4	40.5	-20.6	-63	-55	1.2	0.9	40.5	1.1	0.6	-63	-70
NBFC	13	12.4	5.1	14.7	10.1	-36	-40	2	1.8	10.3	2.1	1.5	-39	-36
Capital Goods	41.7	28.7	45	34.6	22.9	104	40	7.6	4	90.7	5.4	2.6	133	40
Cons. Durables	53.7	33.5	60.3	45.1	21.9	162	63	9.7	5.4	80.6	7.3	3.4	196	86
Cement	38	28.1	35.2	35.4	20.8	86	37	3.2	2.6	22.5	3.1	2.2	-1	-7
Consumer	44.5	41.8	6.5	45.5	38	117	105	10.9	10.3	5.7	11.2	9.4	232	265
Consumer Ex ITC	51.9	51.9	0.1	58.6	45.2	154	154	12.2	13.2	-8.2	14.5	12	271	371
Chemicals	35.2	24.5	43.6	34.8	14.2	72	21	4	3.2	24.6	4.4	2.1	23	13
Healthcare	32.6	26.9	21.5	31.2	22.5	60	32	4.9	3.9	27.1	4.7	3	50	37
Infrastructure	23.6	11.7	101.5	19.3	4.2	16	-42	2.1	1.3	64.4	1.8	0.7	-37	-56
Logistics	24.2	21.2	14.1	25.2	17.3	18	3	4.1	3.4	21.3	4.1	2.6	25	18
Media	18.7	25.1	-25.8	29.5	20.8	-9	22	1.8	3.7	-51.3	5.5	1.9	-45	35
Metals	11.3	10.9	4	14.5	7.3	-45	-47	2.2	1.6	37.9	2	1.2	-32	-43
Oil & Gas	15	12.6	18.9	15.6	9.5	-27	-39	1.6	1.5	6.9	1.7	1.3	-52	-48
Oil & Gas Ex RIL	9	8.7	3.7	11.6	5.7	-56	-58	1.2	1.2	-4.4	1.5	0.9	-64	-57
Real Estate	43.3	29.5	46.8	40.9	18.1	111	43	4.8	2.1	126.3	3.3	1	47	-28
Retail	85.1	83.2	2.3	134	32.5	316	311	15.2	9.6	58.2	13.7	5.5	364	232
Technology	28.3	20.8	35.8	25.7	15.9	38	2	9	5.7	57.6	7.4	4	175	99
Telecom	Loss	62.8	-	327	-201		203	43.8	18.3	139.2	40.7	-4.1	0	217
Utilities	18.7	11.5	62.6	14.8	8.2	-9	-44	2.7	1.5	81.8	2	1	-18	-48

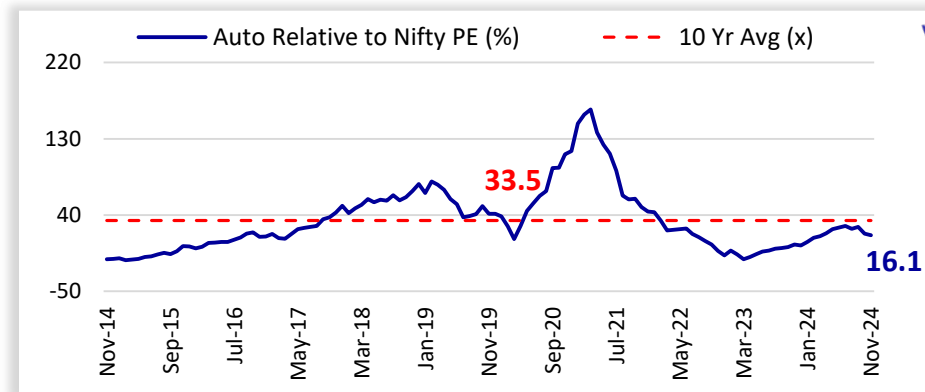


- The Auto sector is trading at a P/E of 23.8x, below its 10-year historical average of 27.6x (at a 14% discount). On a P/B basis, however, it is trading at a 24% premium to its 10-year average of 3.5x.
- Overall, the Nov'24 dispatches for 2Ws/tractors/PVs/CVs grew 2%/5%/6%/1% YoY. Both 2Ws and tractors have outperformed other categories YTD, growing at 10.5% YoY.
- After strong festive sales in Oct'24, as both Dusshera and Diwali came in the same month, dispatches declined sharply MoM in Nov'24 across segments, in line with our expectation. Among 2W OEMs, both TVSL and BJAUT outperformed the underlying industry growth, backed by the success of new product launches in the domestic market and recovery in exports. UVs grew 12% YoY while growth in cars was restricted to 5% YoY. In CVs, MHCVs grew 5% YoY, indicating a recovery in 2HFY25. Tractor OEMs are optimistic about a better tractor demand on the back of higher MSPs for Rabi crops and better reservoir levels.

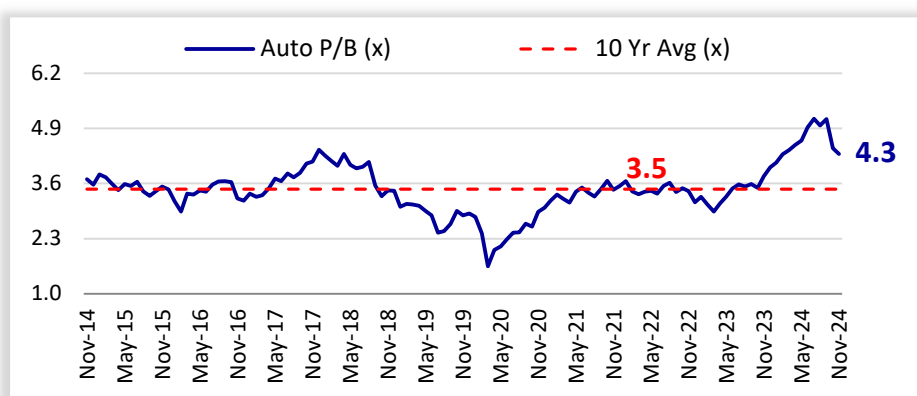
12-month forward Automobiles P/E (x)



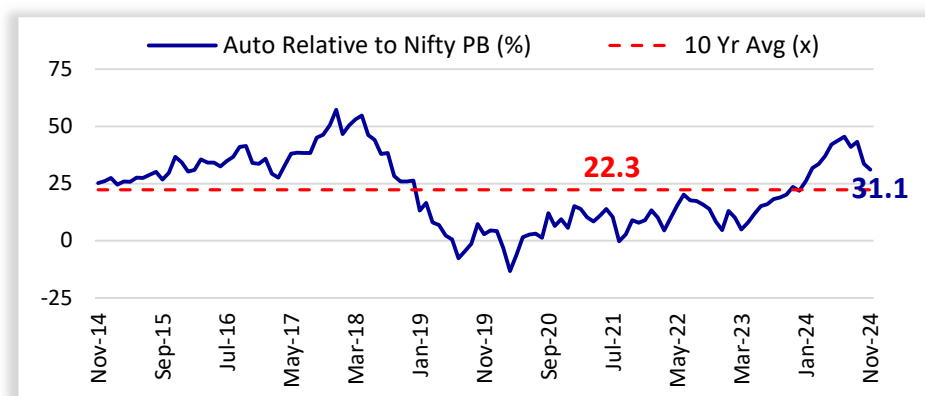
Automobile P/E relative to Nifty P/E (%)



12-month forward Automobiles P/B (x)



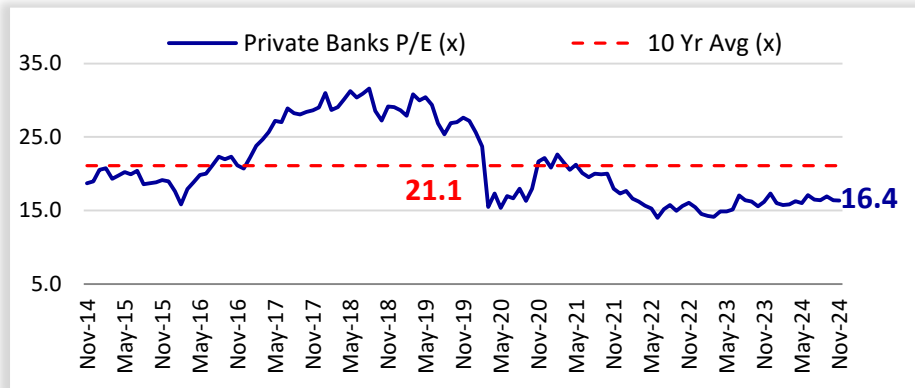
Automobile P/B relative to Nifty P/B (%)



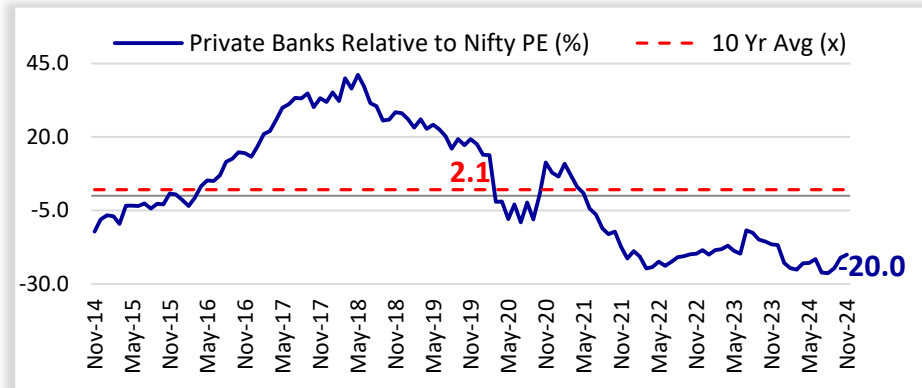


- The Private Banks sector is currently trading at a P/B ratio of 2.4x, near its historical average of 2.5x, while its RoE stands at 14.5%.
- Loan growth continues to moderate amid concerns around the higher CD ratio of banks and rising stress in unsecured. Loan growth stands healthy among the Retail and SME segments. Deposits growth sees a slight improvement to 12%. CASA ratio is expected to see a stable or negative bias amid faster growth in TDs as banks aim for faster deposits growth through TDs.
- While the liquidity situation remains tight, there are a few early signs of liquidity easing. However, this may not benefit banks' CoF as most of the banks are willing to grow deposits at a higher rate. As a result, we expect a mild NIM moderation across banks, with rate cuts in FY25/26.
- Asset quality stress persists in the MFI and Credit Card segments. Post-2Q, lenders have seen a stress in MFI and unsecured loans reported increased delinquencies and stress levels. Further, ECL migration can lead to an elevated credit cost; hence, we maintain a higher preference in the banks with a higher contingency buffer. We remain cautious about the potential delinquencies and the consequent rise in credit costs.

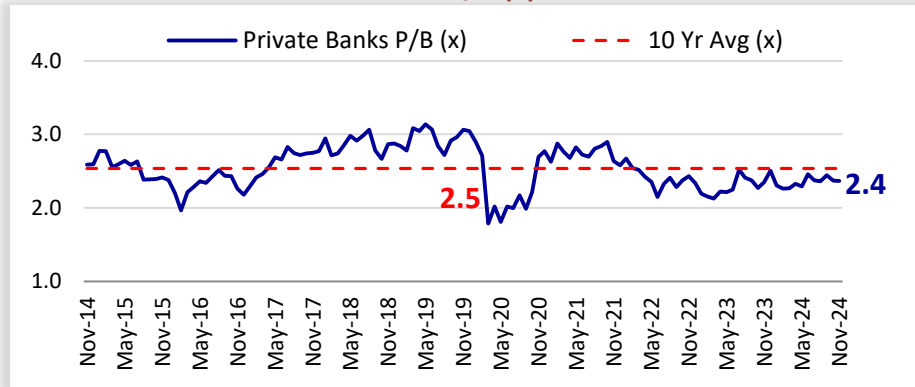
12-month forward Private Banks P/E (x)



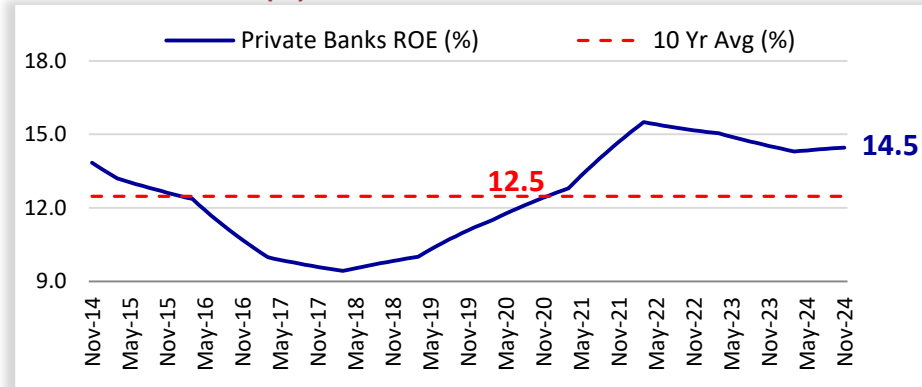
Private Banks P/E relative to Nifty P/E (%)



12-month forward Private Banks P/B (x)



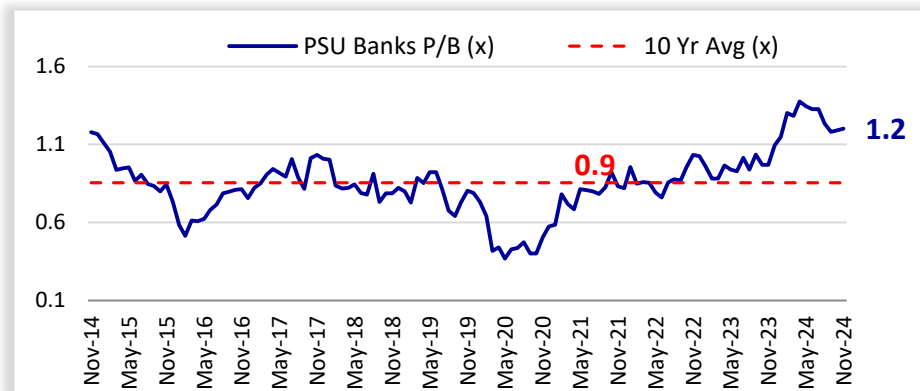
Private Banks ROE (%)



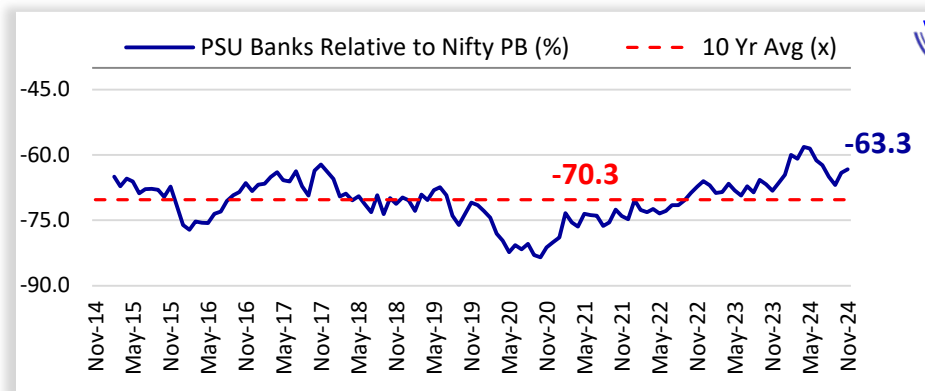


- PSU Banks has witnessed a correction from its peak and now trades at a P/B of 1.2x, still trading at a 40% premium to its historical average of 0.9x.
- Systemic credit growth for the system moderated sharply to ~11.9%, although the CD ratio continues to remain elevated at 79.1% vs. the historical high of 80% for the system.
- PSU stands out better in terms of earnings stability and, unlike their private counterparts, in terms of profitability, stable NIMs, and controlled credit costs. Credit growth continues to be healthy with heavy lifting done from the RAM segment, while the CD ratio stands at an optimal range. Opex growth continues to be in an optimal range. Loan growth for PSUs continues to be healthy with heavy lifting done from the RAM segment, while the CD ratio continues to operate in an optimal range. Opex growth is likely to follow a normalized trajectory, with most of the costs now behind.
- NIMs to remain steady with a slight negative trend, while the substantial share of the MCLR book is expected to offset the overall effect.
- Asset quality continues to remain healthy for most of the PSU banks, unlike the private banks, while the provisioning for most of the PSUs remains well contained and well under control. We expect PSUs to deliver healthy growth and steady earnings vs the private counterparts in FY25.

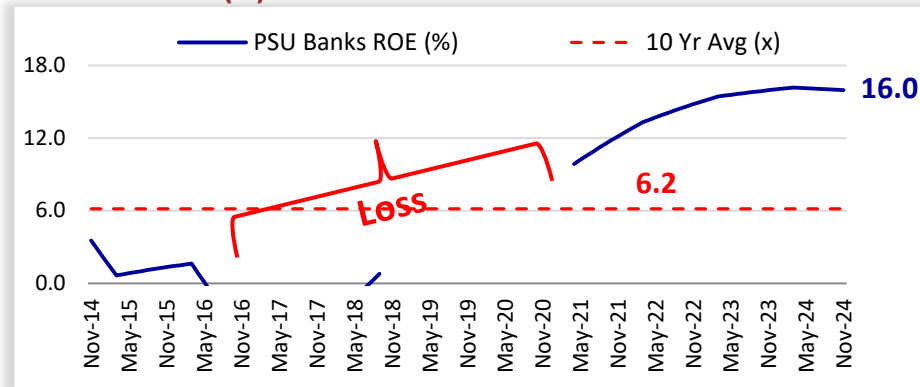
12-month forward PSU Banks P/B (x)



PSU Banks P/B relative to Nifty P/B (%)



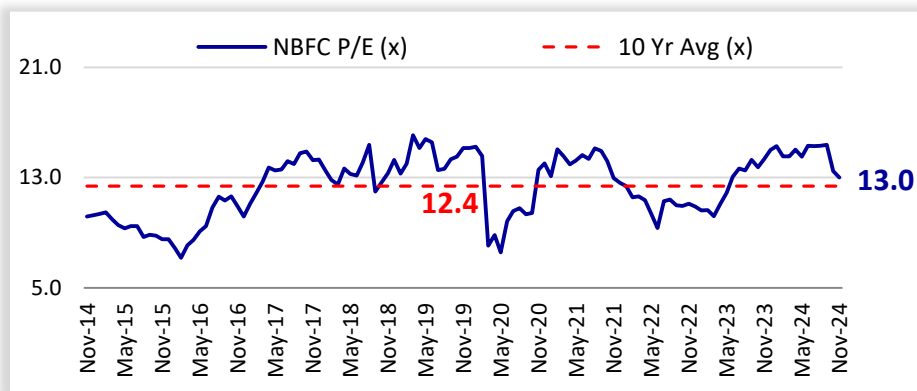
PSU Banks ROE (%)



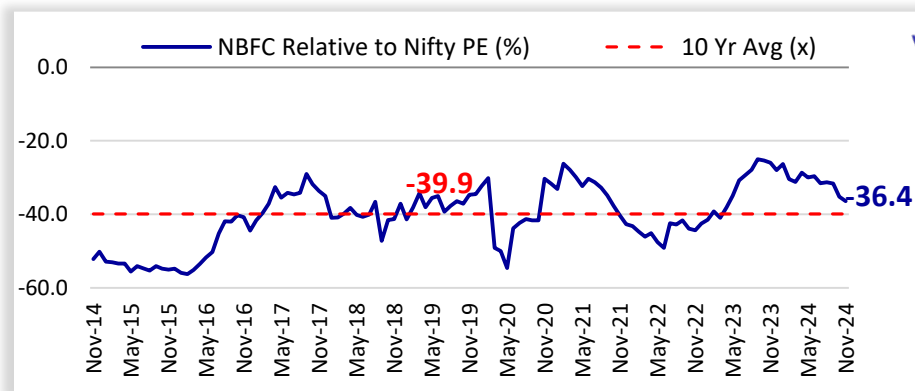


- The NBFC sector is trading at a P/B ratio of 2.0x, near its long-term historical range of 1.8x.
- Gold loan growth remained strong due to higher gold prices and lower availability of unsecured personal and MFI loans. Gold lenders have delivered strong loan growth without any associated trade-off in margins.
- MFIs continued to exhibit asset quality stress, primarily due to customer overleveraging and the impact of floods and unseasonal rainfall in select states across the country. MFIN published its revised guidelines on 25th Nov'24 to tighten the ones that were put in place earlier in Jul'24, which will result in further moderation in loan growth.
- Asset quality in Vehicle Finance continued to exhibit seasonal weakness, hit by floods and higher delinquencies in the LCV/SCV segments because of weak capacity utilization. The festive season – Dussehra/Diwali – has been ordinary and PV demand is expected to remain weak.
- Power financiers delivered robust loan growth and a strong sanction pipeline, positioning them for healthy disbursements and loan growth in 2HFY25. Asset quality further improved, aided by the continued stressed asset resolutions.

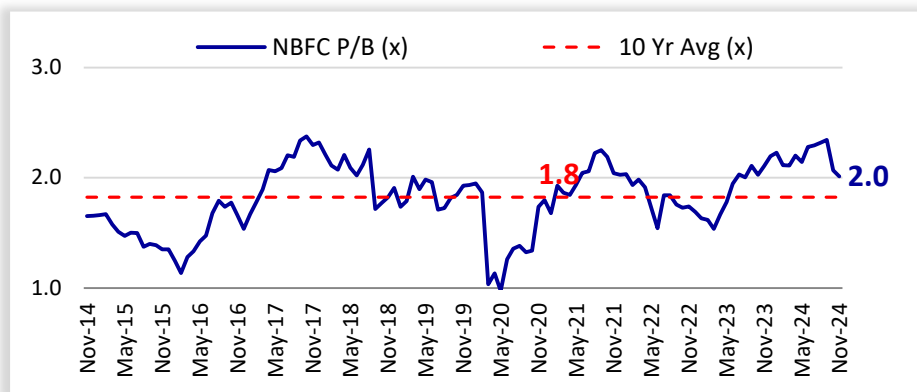
12-month forward NBFC P/E (x)



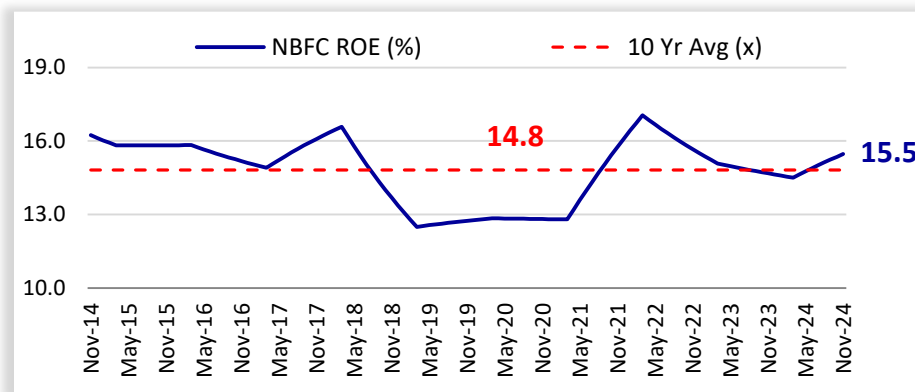
NBFC P/E relative to Nifty P/E (%)



12-month forward NBFC P/B (x)



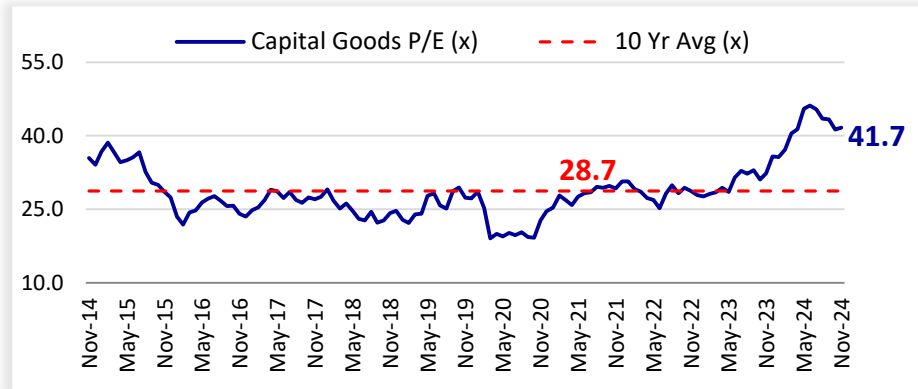
NBFC ROE (%)



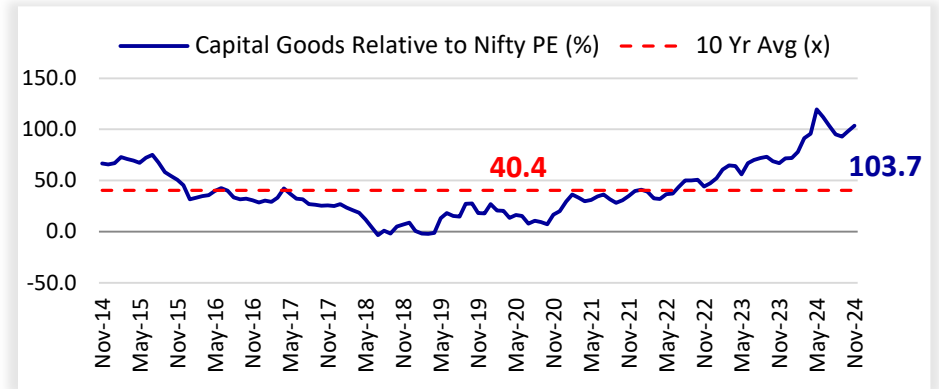


- The Capital Goods sector is trading at 41.7x one-year forward P/E, above its 10-year average of 28.7x (at a 45% premium), indicating a premium valuation baking in the anticipated capex recovery, ordering momentum, and higher budgetary allocation.
- On a P/B basis, the sector is trading at 7.6x, a significant premium to its 10-year average multiple of 4x.
- The sector is witnessing a healthy ordering traction, with the government's emphasis on capex-led growth, and the private sector is ramping up as well with healthy bank and corporate balance sheets. Companies remain positive about the prospects for the near to medium term.
- We believe that the expected pickup in government ordering, a broad-based private capex revival, improvements in capacity utilization, and healthy macro factors should boost the outlook for the overall sector.

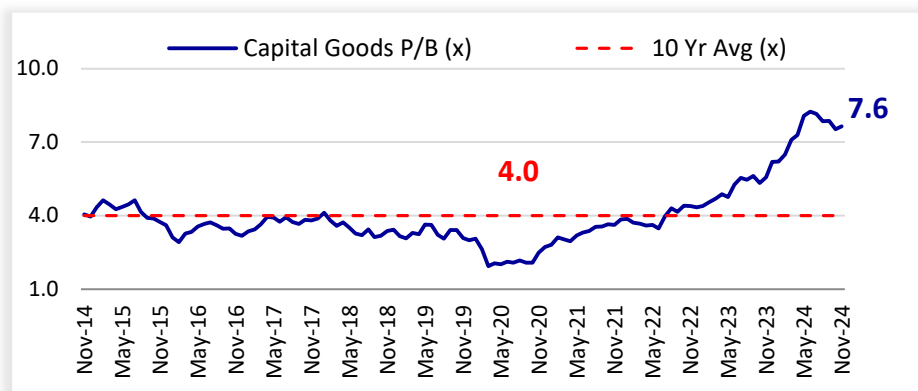
12-month forward Capital Goods P/E (x)



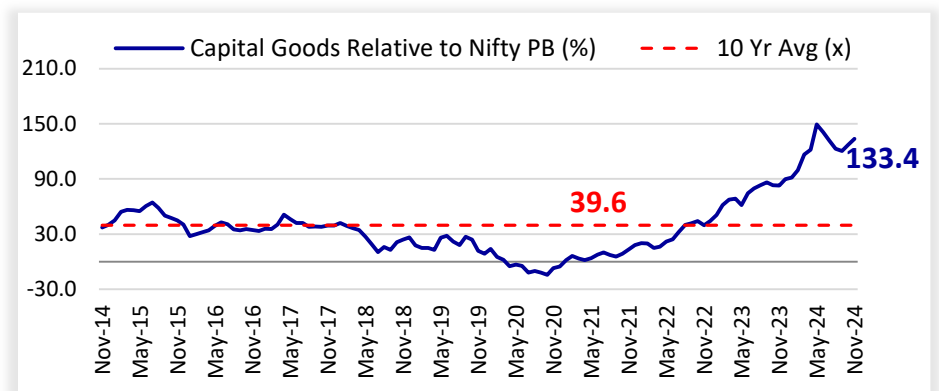
Capital Goods P/E relative to Nifty P/E (%)



12-month forward Capital Goods P/B (x)



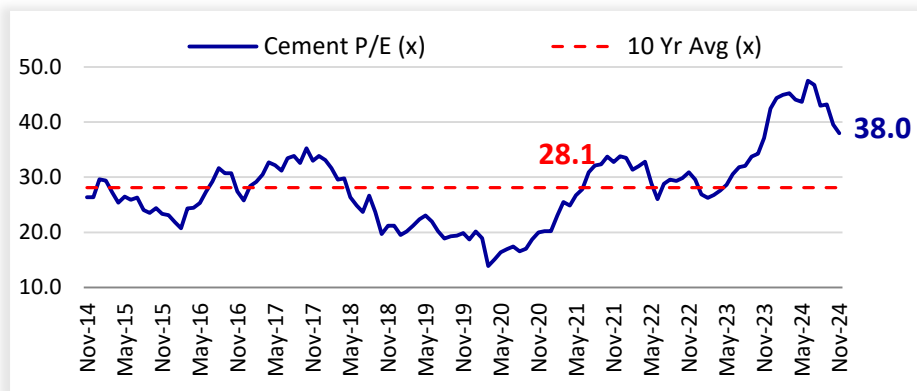
Capital Goods P/B relative to Nifty P/B (%)



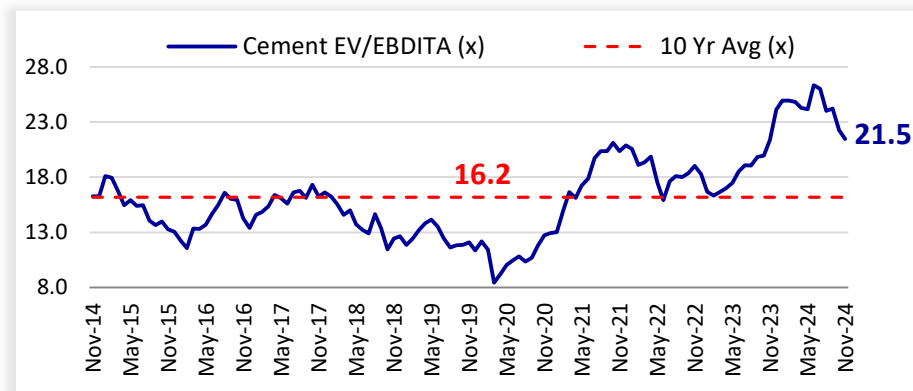


- The Cement sector is trading at a one-year forward EV/EBITDA of 21.5x, at a 33% premium to its historical average of 16.2x.
- Cement demand has yet to see a material uptick, as in Nov'24, volume growth is estimated at ~2-3% YoY. Demand was partially impacted due to a festive period (Diwali and Chhath Pooja), labor unavailability, elections in Maharashtra and Jharkhand, and pollution-related curbs in Delhi-NCR. However, we continue to believe demand should pick up going forward and estimate industry volume growth of 8-9% YoY in 2HFY25, led by the pent-up demand, pick-up in construction activities, government spending, and sustained demand from the housing segment. We estimate industry volume growth of ~5-6% YoY in FY25.
- Due to sluggish demand improvement, price hikes were not implemented. Further, in a few regions (East, South, and North), discounts/schemes have been announced during the month. We estimate price hikes to occur in the near term with improvements in cement demand.

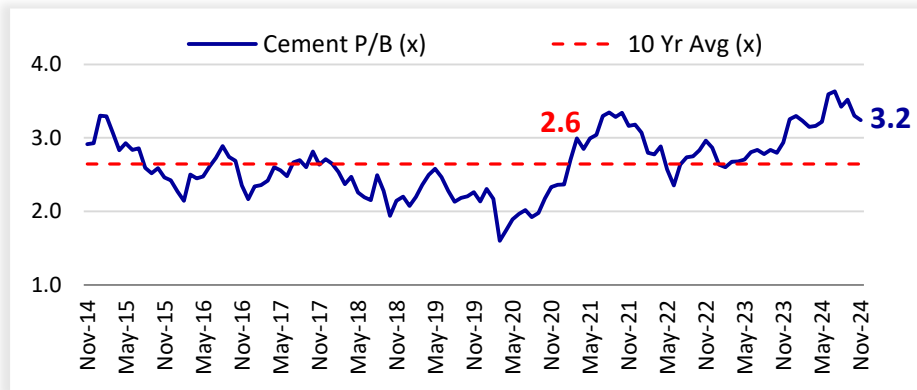
12-month forward Cement P/E (x)



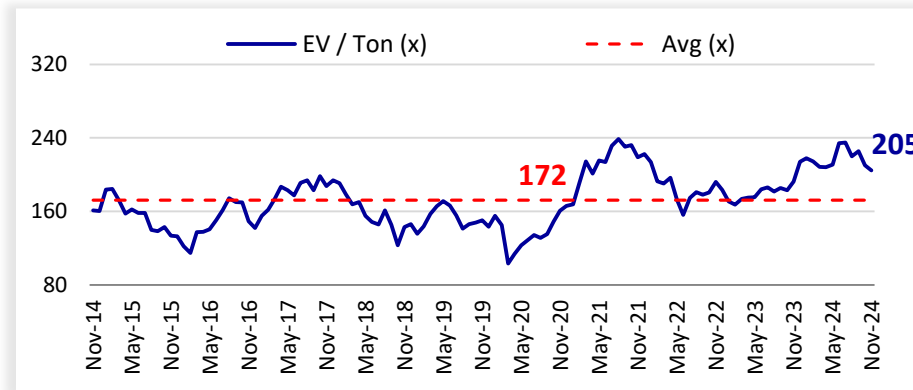
12-month forward Cement EV/EBITDA (x)



12-month forward Cement P/B (x)



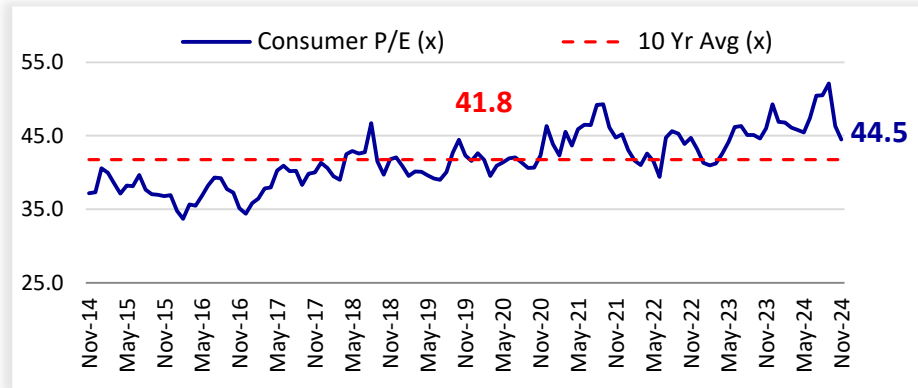
12-month forward Cement EV/Ton (x)



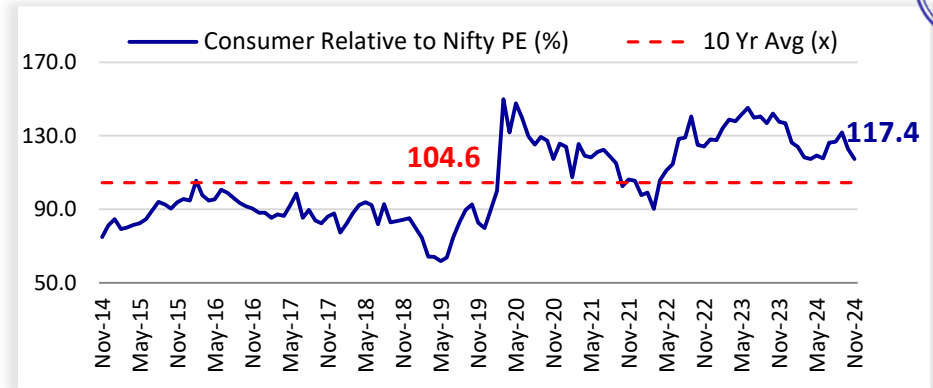


- The Consumer sector's P/E, at 44.5x, implies a 7% premium to its 10-year average of 41.8x. On a P/B basis, it stands at 10.9x, at a premium of 6% to its historical average of 10.3x.
- Volumes were marginally hit in 2QFY25 due to several factors, including subdued macroeconomic conditions, inventory corrections by select companies to improve systemic health, and adverse weather conditions such as floods and heavy rains.
- Companies are likely to raise prices to offset the rising food costs.
- The growth in e-commerce (primarily quick commerce) and modern trade continues to outpace general trade.
- There is moderation in growth in the urban market. The rural market growth continues to outpace urban market growth, as also highlighted in Nielsen data.

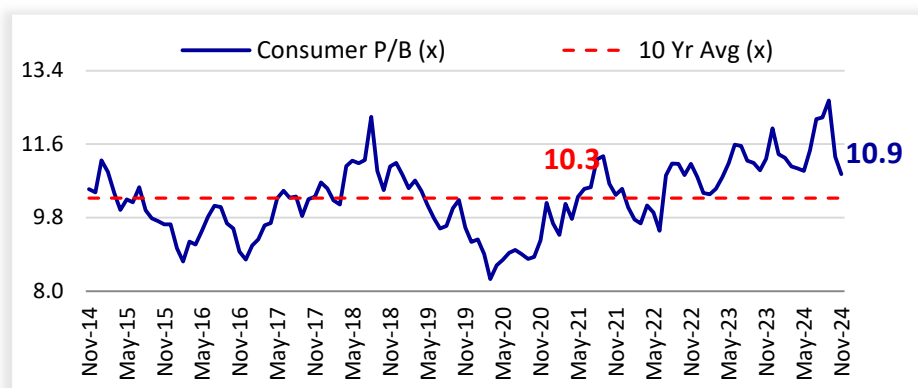
12-month forward Consumer P/E (x)



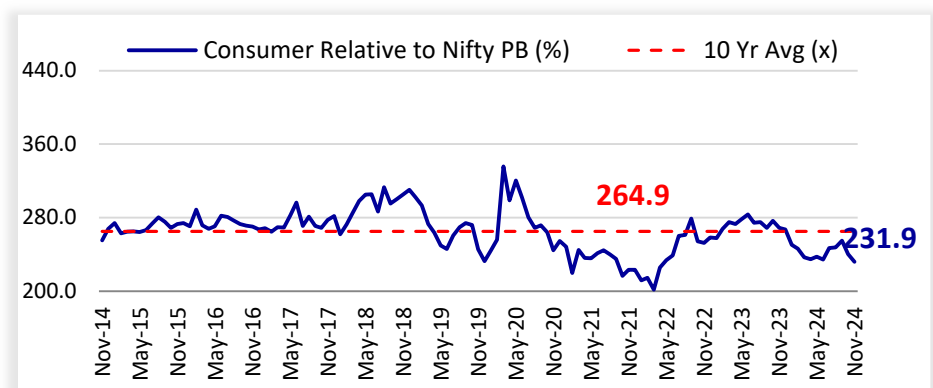
Consumer P/E relative to Nifty P/E (%)



12-month forward Consumer P/B (x)



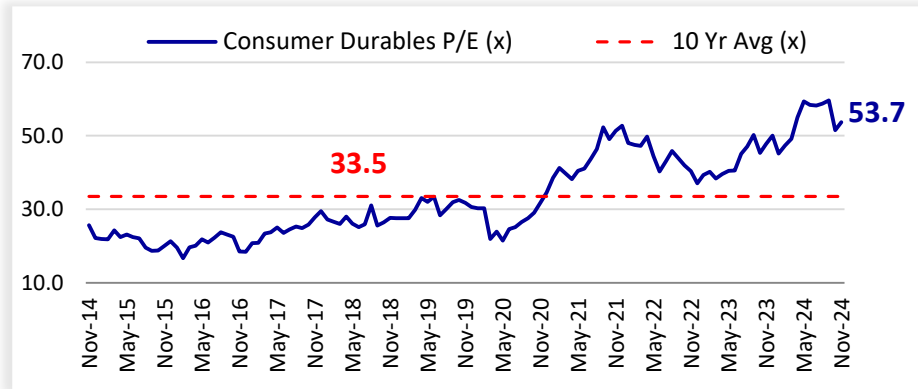
Consumer P/B relative to Nifty P/B (%)



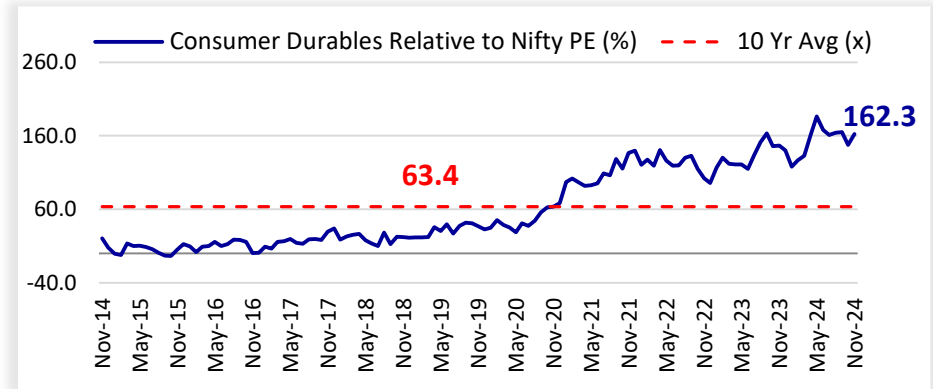


- The Consumer Durables sector trades at a one-year forward P/E multiple of 53.7x, at a 60% premium to its 10-year average P/E of 33.5x.
- On a P/B basis, the sector trades at 9.7x at an 81% premium to its 10-year average multiple of 5.4x.
- Festive season demand was not as strong as it was last year, and that consumer enthusiasm was missing. Consumers delayed their buying decisions, which could be a sign of a consumption slowdown, though it needs to be monitored.
- Among major categories, RAC clocked higher growth, followed by refrigerators. Televisions saw demand growth of ~5-10%, and few distributors indicated that sales of higher-priced items like OLED were lower than QNED. Washing machine growth was muted. Inventory remains at low levels.
- Demand momentum in the cables and wires (C&W) segment remained strong, and exports are also picking up gradually.

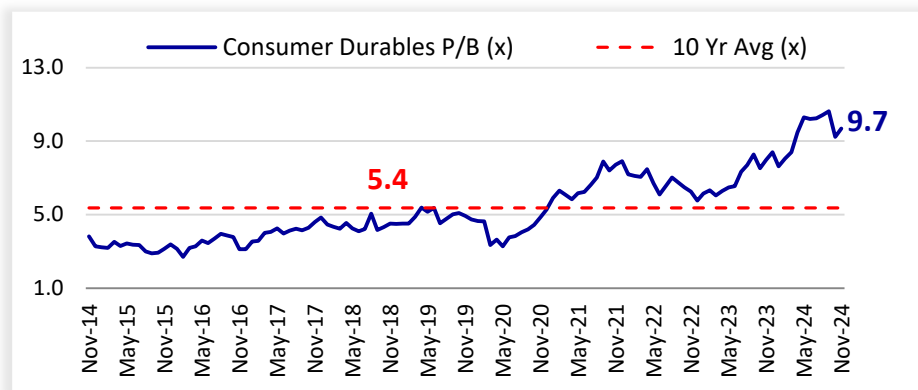
12-month forward Consumer Durables P/E (x)



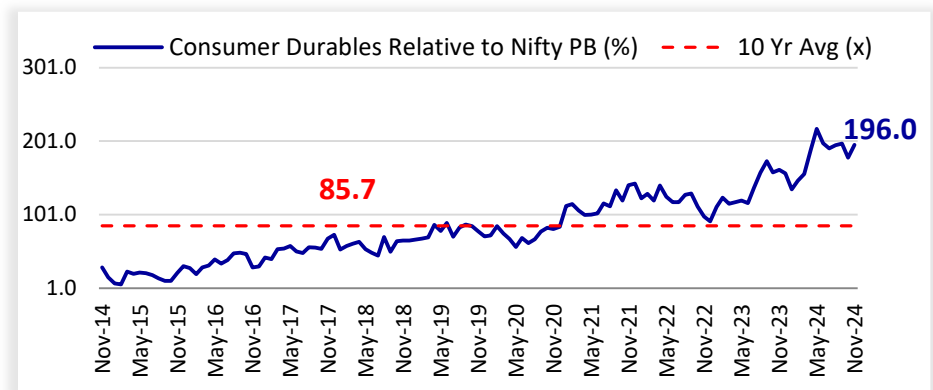
Consumer Durables P/E relative to Nifty P/E (%)



12-month forward Consumer Durables P/B (x)



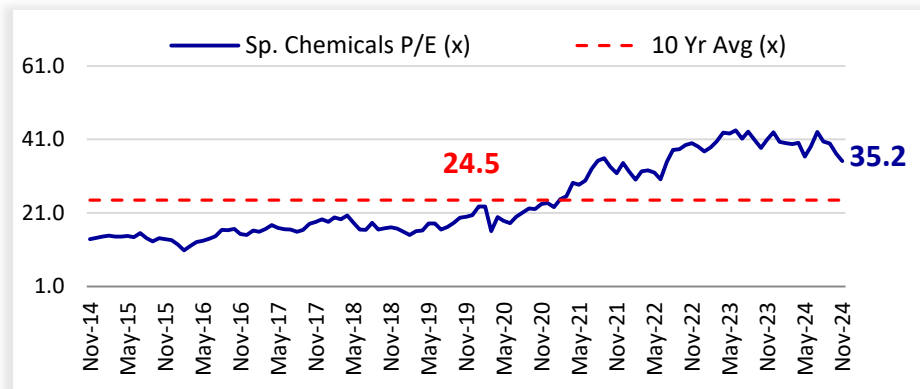
Consumer Durables P/B relative to Nifty P/B (%)



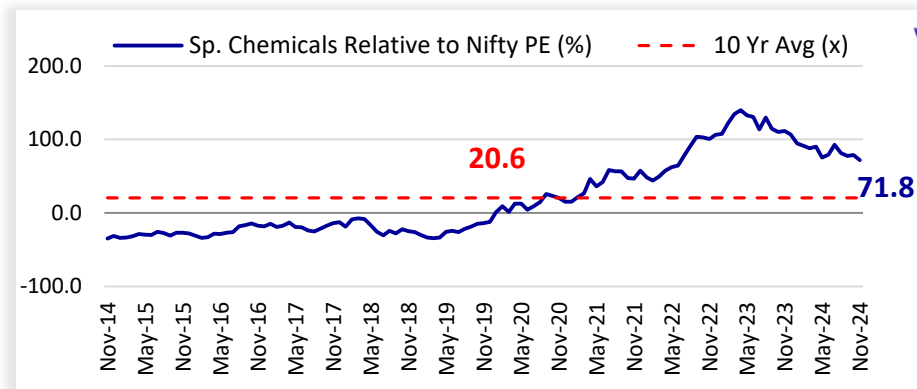


- The sector is trading at a P/B of 4x (at a 25% premium) and a P/E of 35.2x (44% premium) vs. its historical average of 3.2x and 24.5x, respectively.
- Brent crude oil price averaged USD74.5/bbl in Nov'24 (vs. USD75.6/bbl in Sep'24). Prices have declined by 1.4% MoM.
- Toluene (Korea)/Butadiene (Korea) prices declined 8%/18% MoM, while the Propylene (Korea) price dipped 1% MoM. Benzene (Korea) price declined 4% MoM, while Styrene (Korea) price dipped 4% MoM. Acetonitrile price was down 1% MoM, while Methanol price declined 2.4% MoM. Phenol price declined 1%, while Acetone price declined 6%. IPA price dipped 1% MoM, while Aniline price increased 2%. There was no change in Acetic Acid price.
- Various management teams expect a recovery from 2HFY25, with companies focusing on the long-term growth trajectory of their businesses.

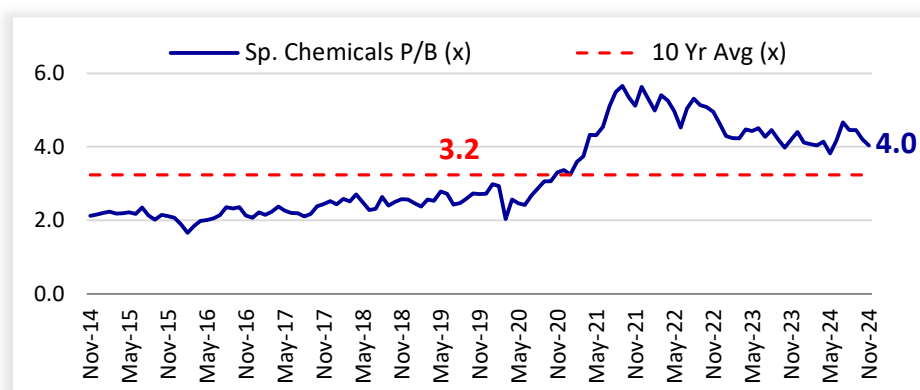
12-month forward Chemicals P/E (x)



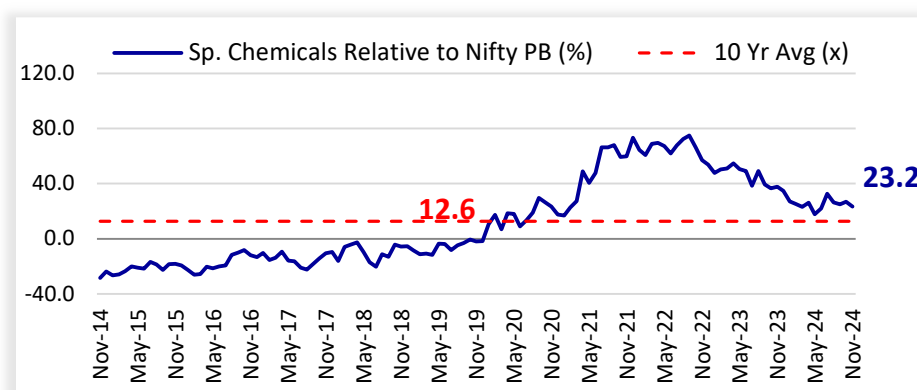
Chemicals P/E relative to Nifty P/E (%)



12-month forward Chemicals P/B (x)



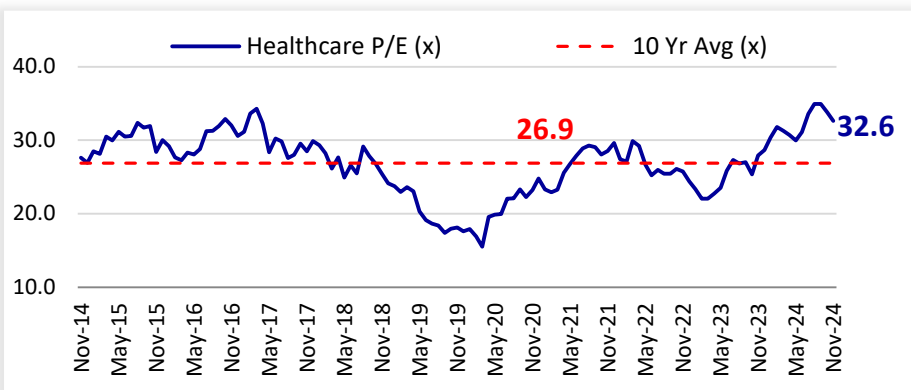
Chemicals P/B relative to Nifty P/B (%)



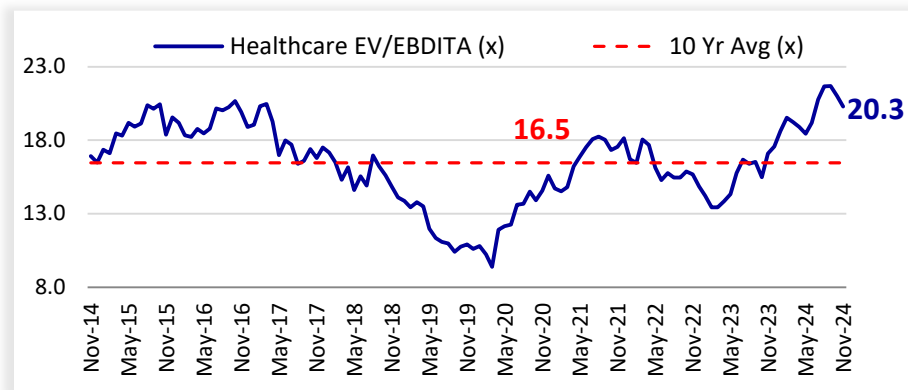


- The Healthcare sector valuation witnessed some moderation after trading at a P/E of 34x to 32.6x now. Still, it remains well above the 10-year avg.
- The US generics growth outlook is expected to soften due to limited visibility of niche product launches over FY25-27. The base business is expected to erode considerably due to intensified competition in certain high-value products.
- The domestic formulation segment has been impacted due to weak seasonality. Companies remain focused on adding products through in-licensing to gain exclusivity.
- CDMO prospects remain encouraging given innovator customer inclination to diversify its supplier base to China+1.
- Hospitals remain on an interesting growth path, primarily driven by volume growth on the back of brownfield and greenfield capex.

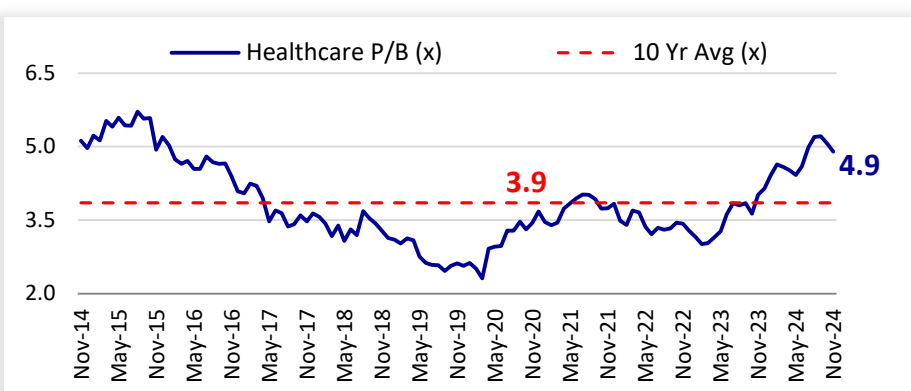
12-month forward Healthcare P/E (x)



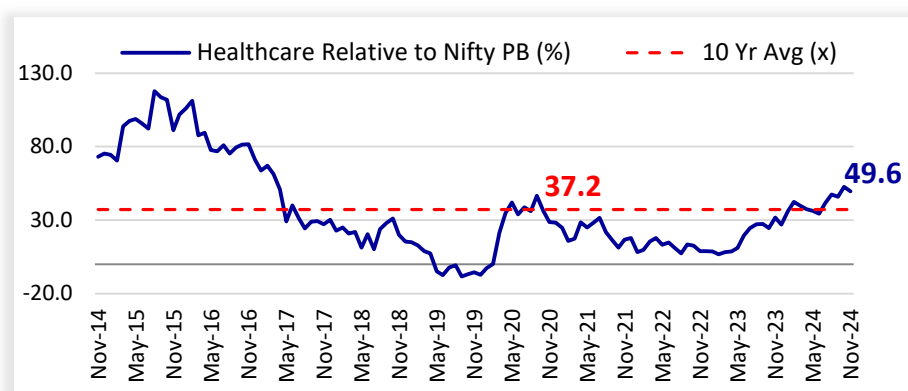
12-month forward Healthcare EV/EBITDA (x)



12-month forward Healthcare P/B (x)



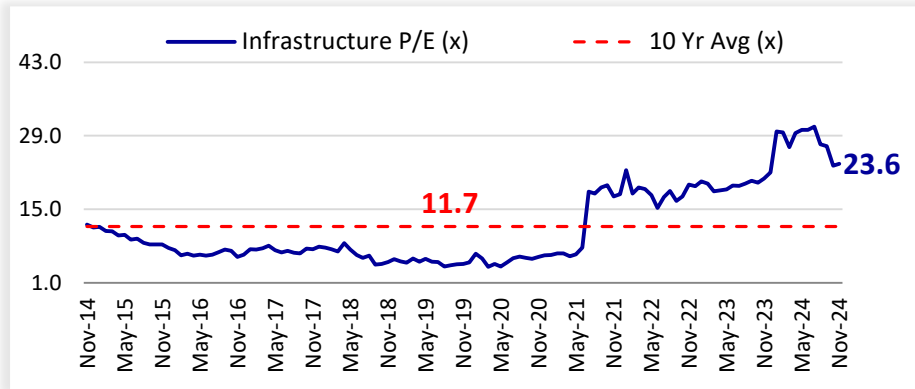
Healthcare P/B relative to Nifty P/B (%)



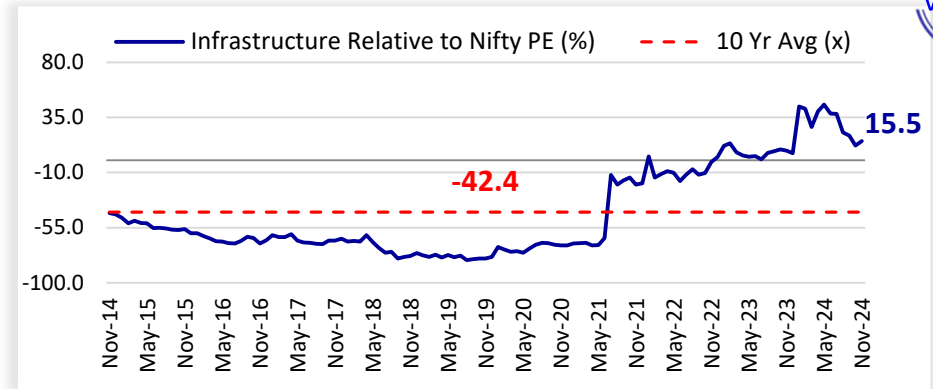


- The Infrastructure sector is trading at a P/B of 2.1x, at a 64% premium to its long-term historical average.
- NHAI's project awarding picked up pace from Oct'24 after remaining muted during 1HFY25, with only ~440km being awarded in Oct-Nov'24. Muted awarding activity by NHAI in FY24 and 1HFY25 and fierce competition in NHAI projects from new and inexperienced players have hit order inflows for large players. Project awarding is expected to pick up further in 2HFY25, with an uptick in execution expected from FY26 onwards only.
- Toll collections increased ~9% MoM in Oct'24 to INR61b, with a daily run rate of ~INR2b (up 5.3% MoM).

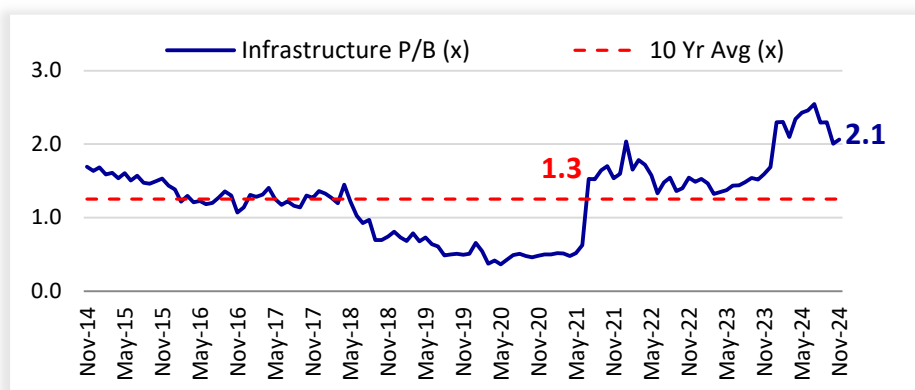
12-month forward Infrastructure P/E (x)



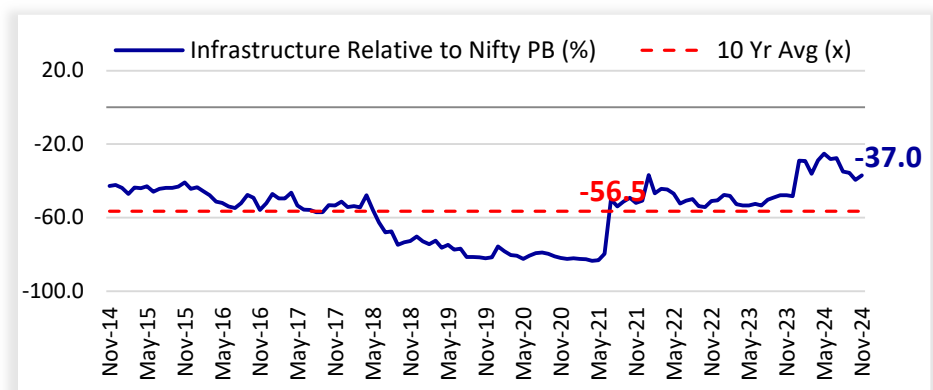
Infrastructure P/E relative to Nifty P/E (%)



12-month forward Infrastructure P/B (x)



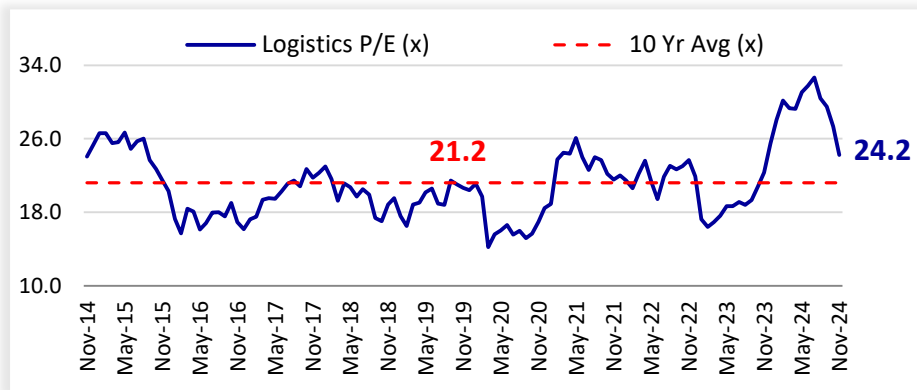
Infrastructure P/B relative to Nifty P/B (%)



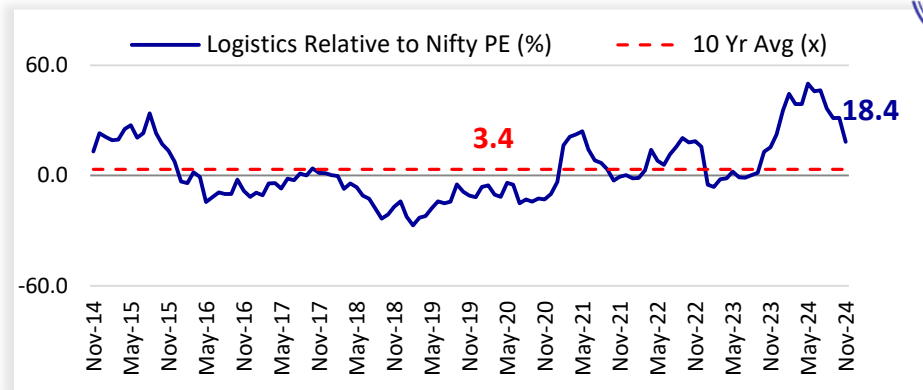


- The Logistics sector is trading at a P/E ratio of 24.2x, above its historical average of 21.2x (at a 14% premium).
- Logistics operations picked up in Oct-Nov'24 with the onset of the festive season. Fleet utilization was ~80%. Daily avg. FASTag toll collections rose ~10% YoY in Oct'24 (+5.3% MoM).
- Volume growth is expected to improve with better-than-expected monsoons and a pickup in the rural economy. The operating margins of fleet operators are likely to inch up in 2HFY25 as other expenses, such as truck costs and compliance (GST, E-way bills, etc.), are likely to remain elevated. Upward revisions in freight rates are expected post-general elections, which should result in overall margin expansion for fleet operators.
- With a structural shift in the formalization of the sector (~85% of the Logistics sector is unorganized), aided by the stricter implementation of GST and mandatory e-invoicing, the addressable market size for organized operators will improve going forward.

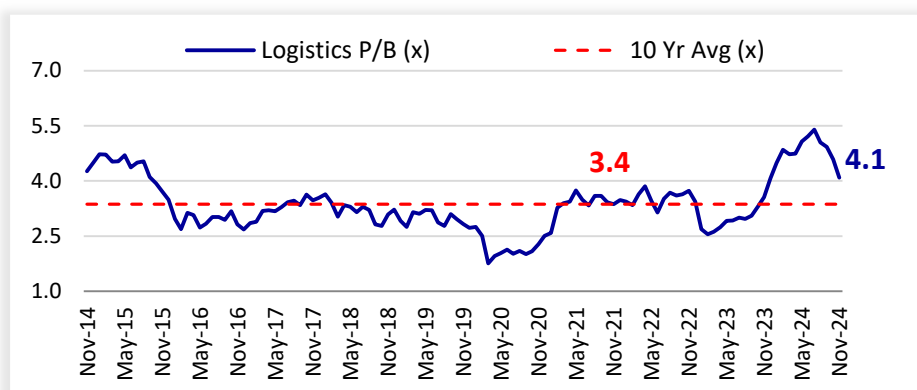
12-month forward Logistics P/E (x)



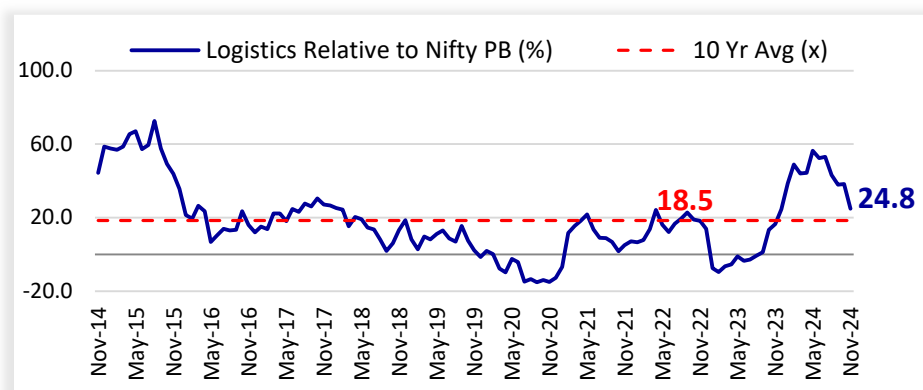
Logistics P/E relative to Nifty P/E (%)



12-month forward Logistics P/B (x)



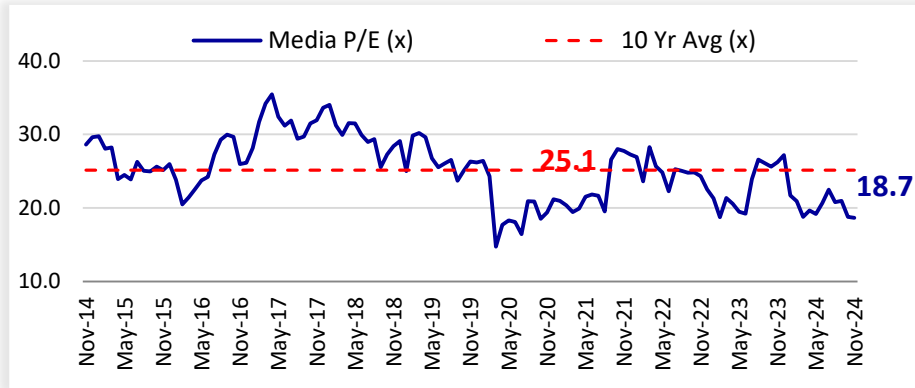
Logistics P/B relative to Nifty P/B (%)



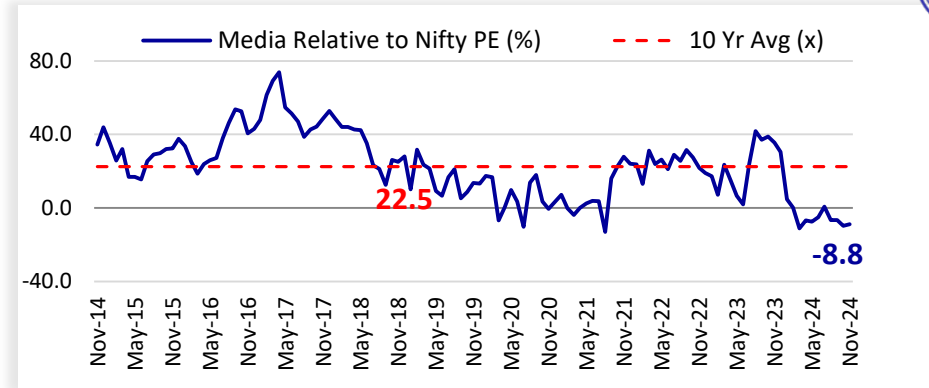


- The P/E ratio for the Media sector, at 18.7x, is at a 26% discount to its 10-year historical average of 25.1x.
- Punit Goenka has stepped down as MD of Zee Entertainment Enterprises Ltd. to focus solely on his role as CEO. Mukund Galgali, the current CFO, has been promoted to Deputy CEO. These changes come ahead of a shareholder vote on Goenka's reappointment as MD and CEO for a new term.
- Reliance Industries Limited, Viacom18 Media Private Limited, and The Walt Disney Company merger is now officially effective. The transaction values the joint venture at INR703b on a post-money basis, excluding synergies. At the closing of the transactions, the JV is controlled by RIL and owned 16.34% by RIL, 46.82% by Viacom18, and 36.84% by Disney.

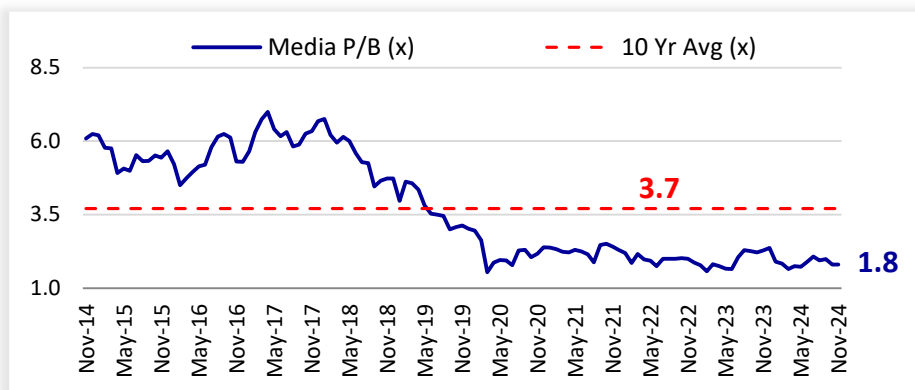
12-month forward Media P/E (x)



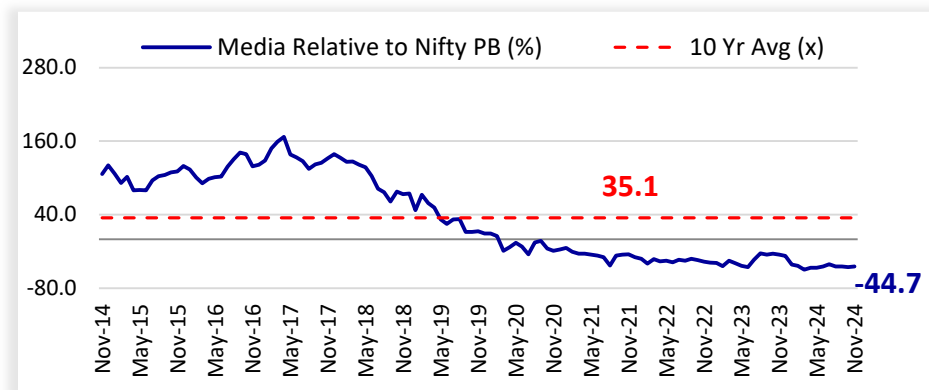
Media P/E relative to Nifty P/E (%)



12-month forward Media P/B (x)



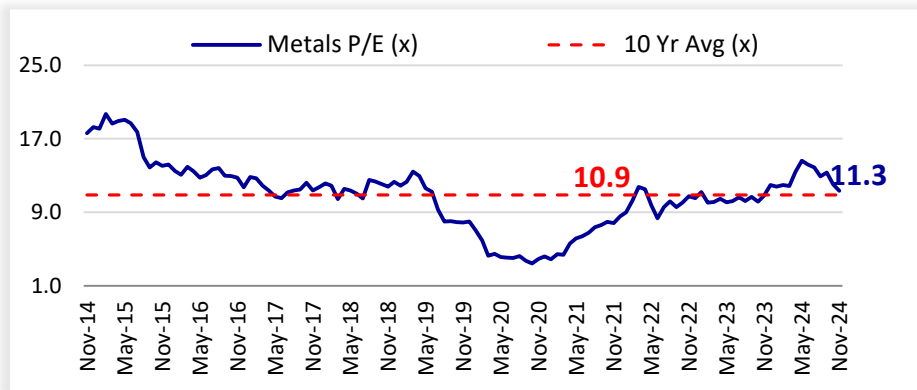
Media P/B relative to Nifty P/B (%)



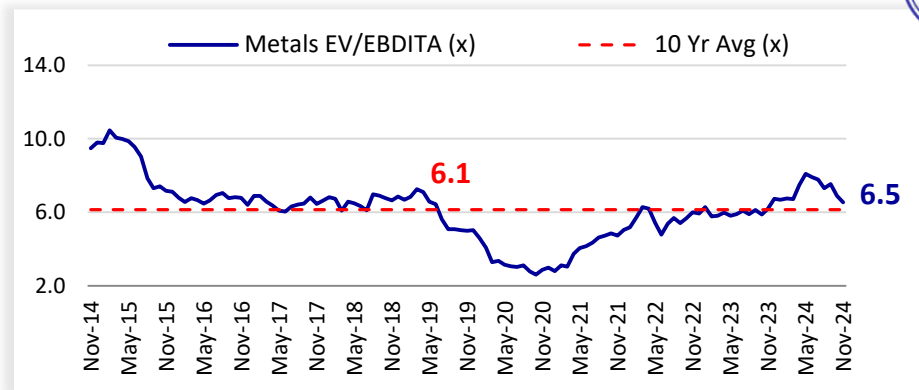


- The Metals sector's EV/EBITDA is hovering close to its 10-year historical average of 6.5x amid weakness in global demand and pricing.
- Metal prices, especially flat steel prices, remained flat MoM in Nov'24 on account of higher cheap imports. Rebar prices currently trade at a premium to flat steel prices. Long prices remained resilient at INR55,000/t in Nov'24, led by improvements in construction activities.
- Coking coal prices remained buoyant at USD220/t in Nov'24.
- Non-ferrous metal prices increased MoM in Nov'24, where copper was up 5% MoM, Zinc increased 4% YoY, and Nickel grew 7% MoM led by China's measure to cut export rebates.

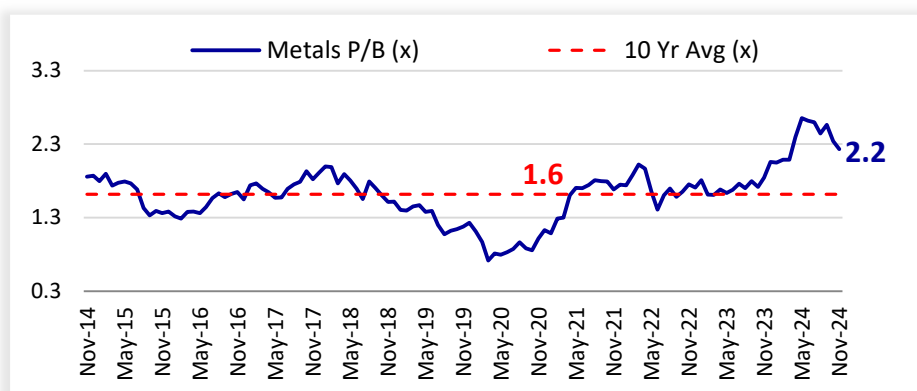
12-month forward Metals P/E (x)



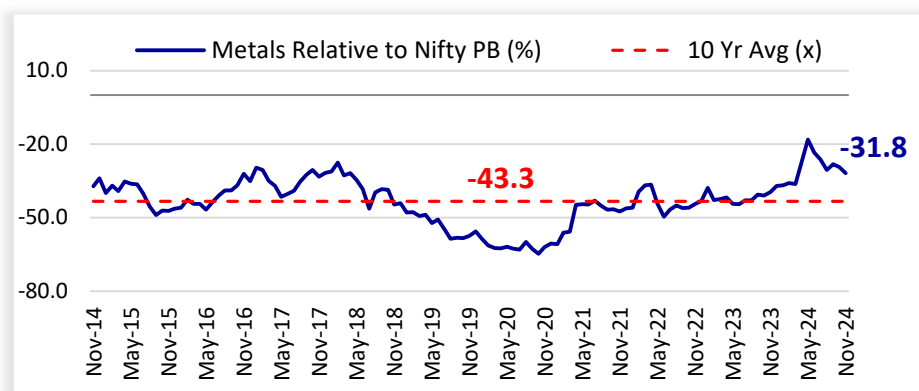
12-month forward Metals EV/EBITDA (x)



12-month forward Metals P/B (x)



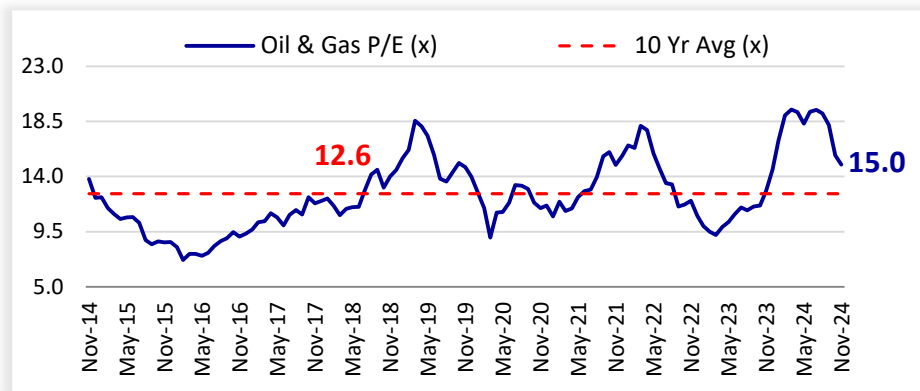
Metals P/B relative to Nifty P/B (%)



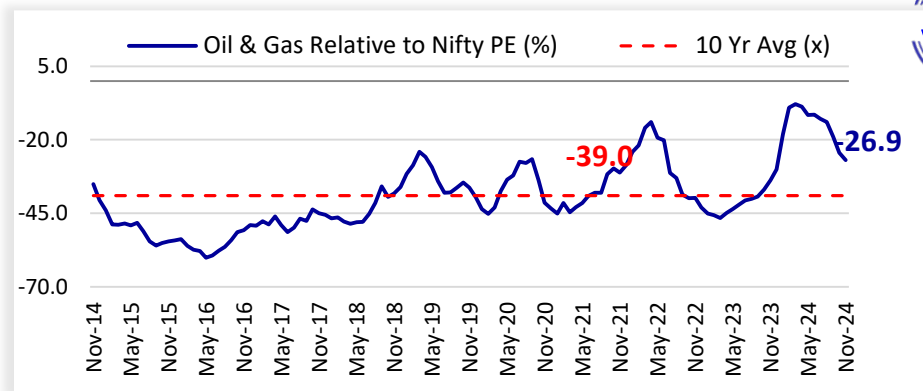


- The sector is trading at a P/B of 1.6x (at a 7% premium) and a P/E of 15x (at a 19% premium) vs. its historical average of 1.5x P/B and 12.6x P/E.
- Brent crude oil price averaged USD74.5/bbl in Nov'24 (vs. USD75.6/bbl in Oct'24). Oil prices remained flat MoM as demand weakness was balanced by geopolitical fears.
- SG GRM stood at USD5.9/bbl in Nov'24 (vs. USD3.8/bbl in Oct'24). Diesel cracks increased to USD10.2/bbl in Nov'24 (vs. USD6.8/bbl in Oct'24). Gasoline cracks also increased to USD11.5/bbl in Nov'24 vs. USD9.8/bbl in Oct'24.
- Gross marketing margin for petrol improved marginally to INR14/lit in Nov'24 from INR13.3/lit in Oct'24, while gross marketing margin for diesel stood at INR10.5/lit vs. INR10.7/lit in Oct'24. Spot LNG price was USD13.5/mmBtu in Nov'24 (similar to USD13.3/mmBtu in Oct'24).

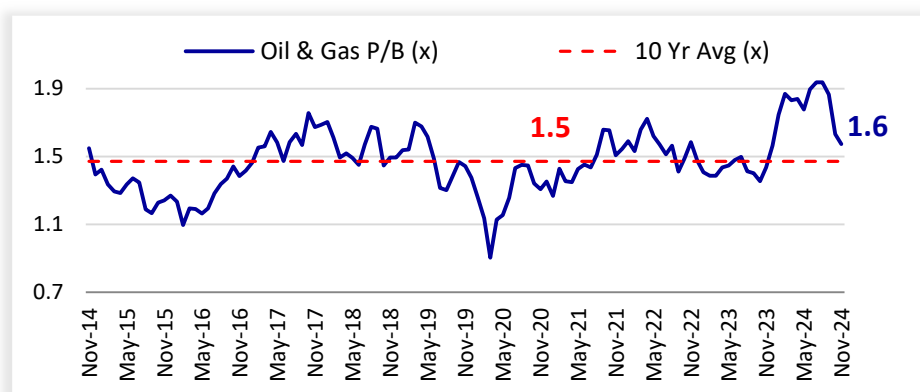
12-month forward Oil & Gas P/E (x)



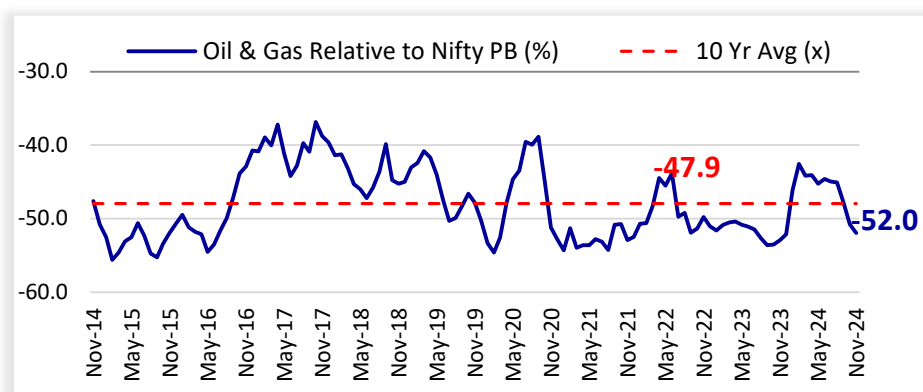
Oil & Gas P/E relative to Nifty P/E (%)



12-month forward Oil & Gas P/B (x)



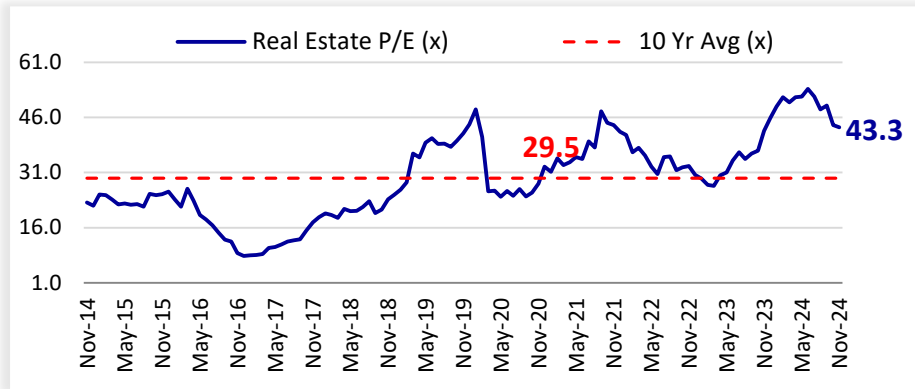
Oil & Gas P/B relative to Nifty P/B (%)



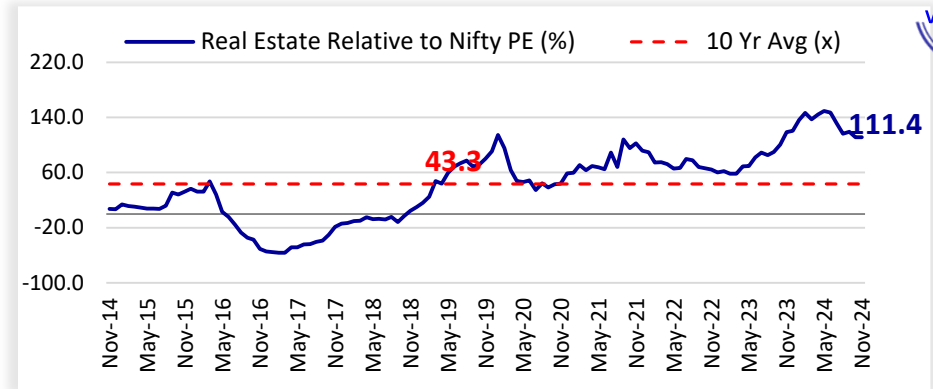


- The sector is trading at a P/E of 43.3x, at a 47% premium to its 10-year historical average of 29.5x.
- According to JLL, leasing activity continues to show tremendous momentum, with 3QCY24 at 19.9msf, the second highest ever quarterly gross leasing volumes. During 9MCY24, gross leasing volumes stand at 53.4msf, the highest ever for this period and unmatched in the history of India's office market.
- According to Knight Frank, housing sales across the top 8 cities rose 5% YoY in 3QCY23 guided by the sustenance sales. New launches during the period rose to 6% YoY. Notably, the contribution of apartments above INR10m increased to 46% from 35% last year. Except NCR, all cities witnessed growth in the range of 1% to 14% YoY.

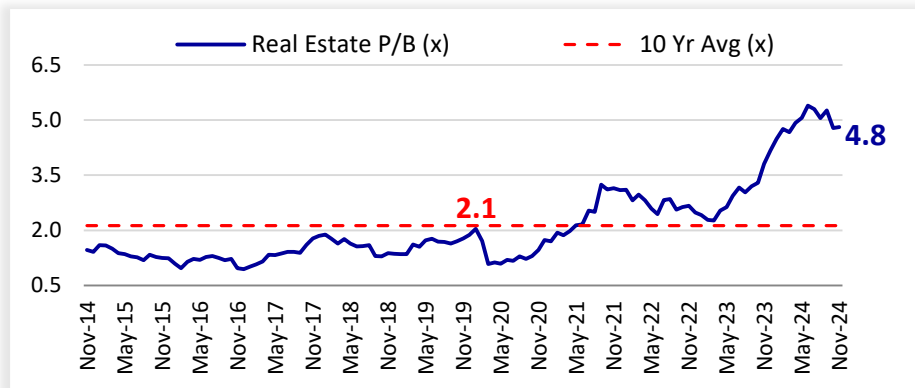
12-month forward Real Estate P/E (x)



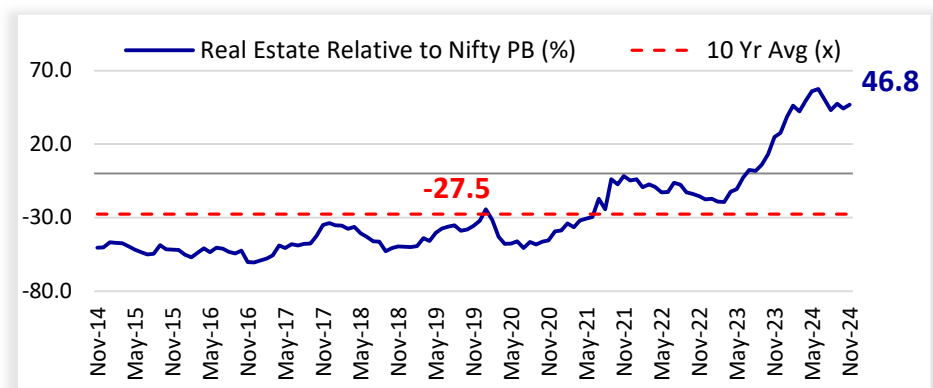
Real Estate P/E relative to Nifty P/E (%)



12-month forward Real Estate P/B (x)



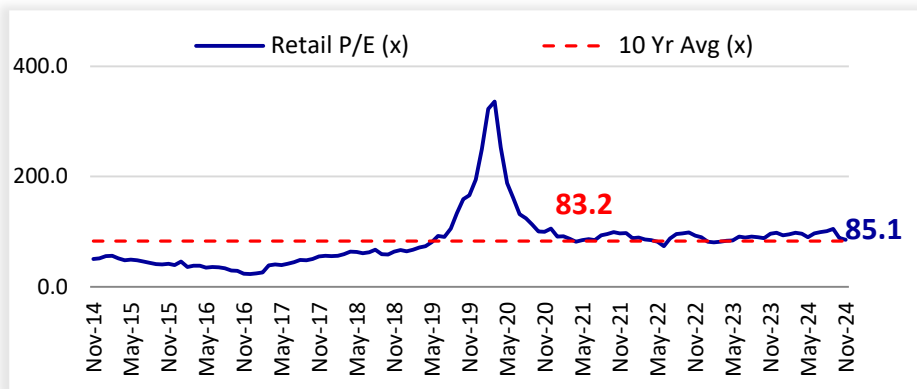
Real Estate P/B relative to Nifty P/B (%)



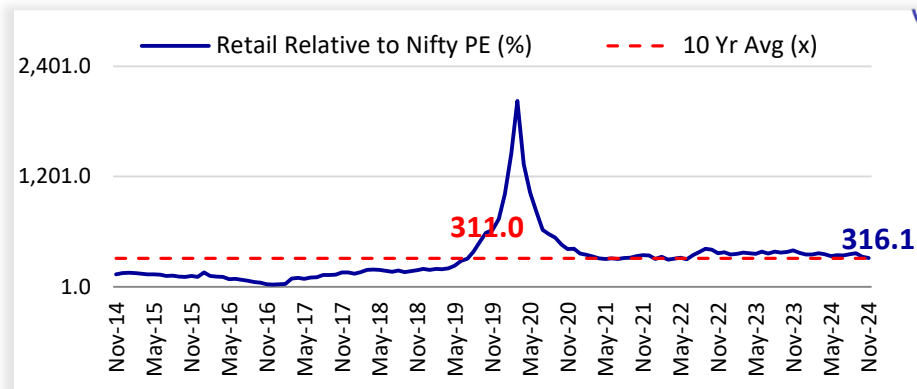


- The sector is trading at a P/E ratio of 85.1x, which is just 2% premium to its 10-year historical average of 83.2x.
- Weddings and shopping in Oct-Dec'24 may spur a 40% improvement in spending and boost retail demand.
- Kirana stores in India are losing market share to quick commerce platforms, with their share expected to drop to 88.9% by 2028. The convenience and speed of online grocery shopping are driving a 74% projected growth in the quick commerce segment in 2024, leading to a significant shift in consumer spending.

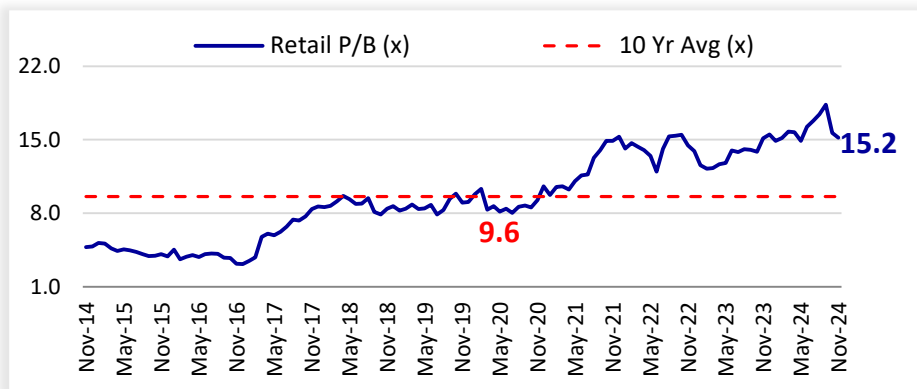
12-month forward Retail P/E (x)



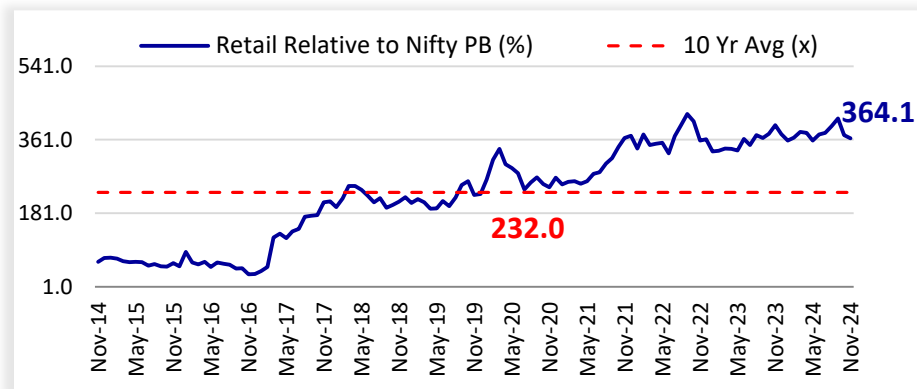
Retail P/E relative to Nifty P/E (%)



12-month forward Retail P/B (x)



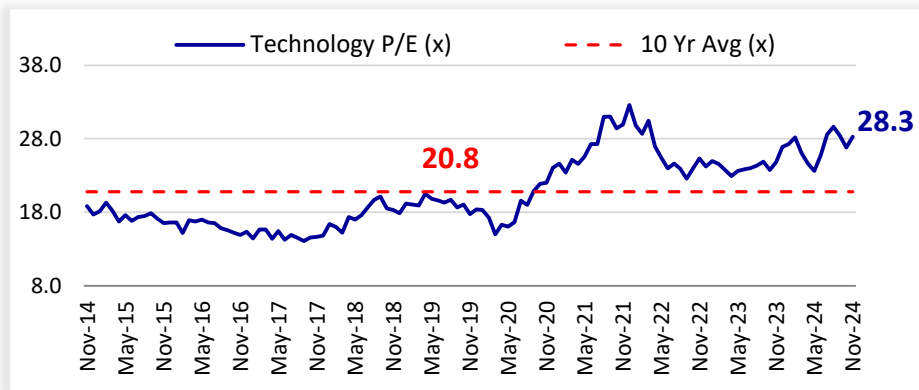
Retail P/B relative to Nifty P/B (%)



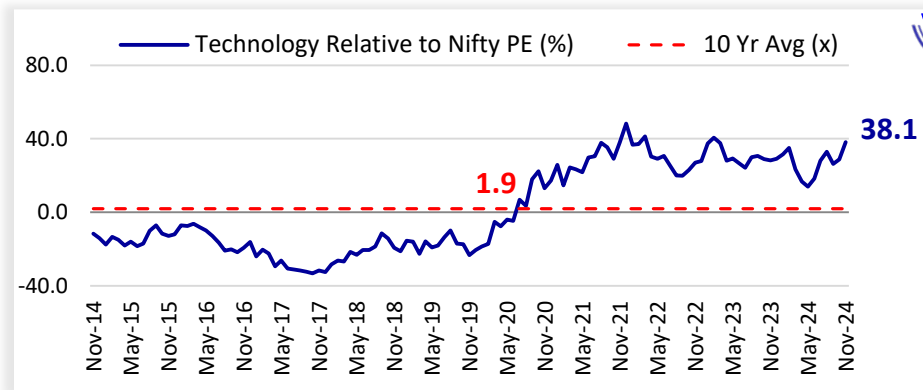


- The sector is trading at a P/E ratio of 28.3x, at 36% premium to its long-term average of 20.8x.
- The demand environment remained relatively stable vs. the previous quarter. While 2Q results were encouraging, various management teams provided a guarded outlook, signaling that a solid pick-up in discretionary spending is yet to be seen. Nonetheless, we anticipate a gradual recovery in modernization and discretionary spending in areas such as US Banking, Healthcare, and Data/ERP modernization as clients shift focus from cost-cutting to high-priority initiatives aimed at reducing technological debt. The impact of furloughs in 3Q is expected to mirror last year's levels.
- Margins for the sector are likely to be largely range-bound as wage hikes have been deferred to 2HFY25. This means that from 3Q onwards, margins may face headwinds due to wage hikes and furloughs. Revenue growth and pyramid optimization will be key drivers for margin expansion, and currency movements should benefit Indian IT services companies.

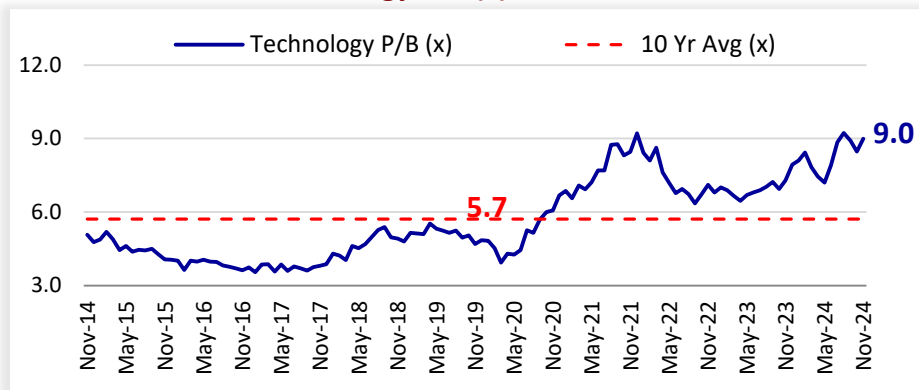
12-month forward Technology P/E (x)



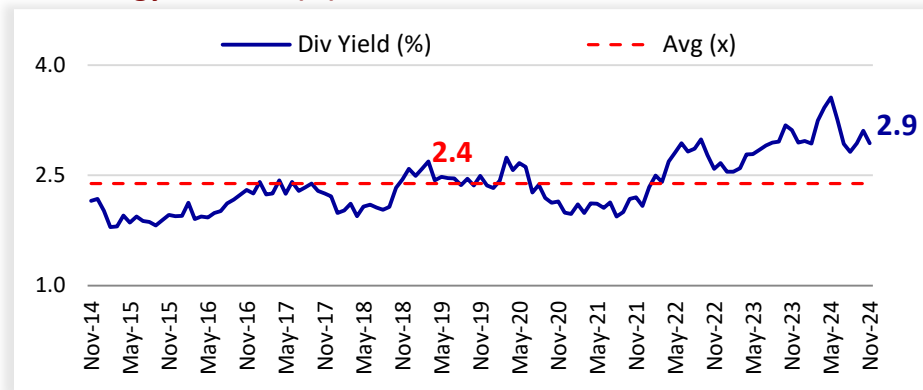
Technology P/E relative to Nifty P/E (%)



12-month forward Technology P/B (x)



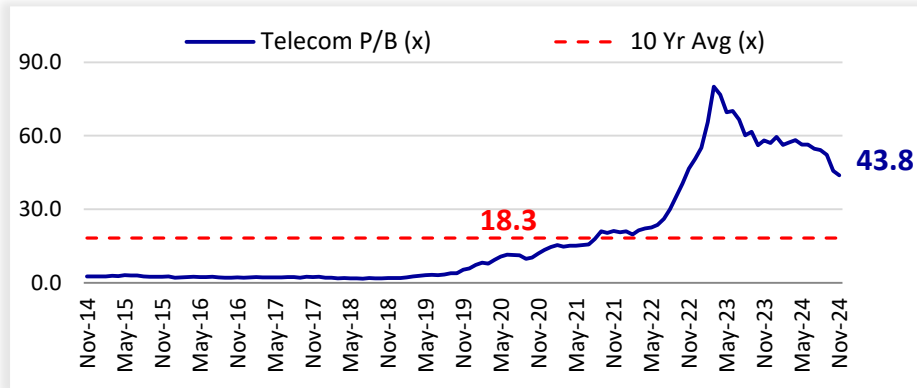
Technology Div Yield (%)



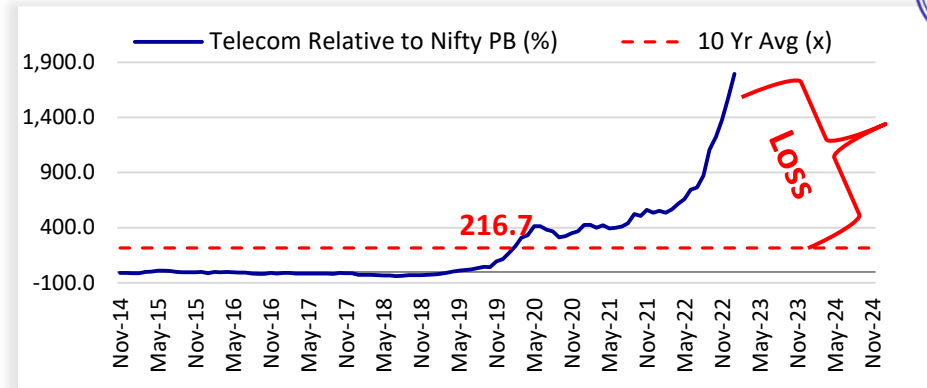


- The sector is trading at an EV/EBITDA ratio of 10x, at a 13% premium to its 10-year historical average of 8.8x.
- Vodafone Idea will greatly benefit from the DoT's relaxation of the requirements for obtaining the bank guarantee waiver for spectrum auctions held prior to 2022.
- Additionally, in Sep'24, BSNL reported moderate gains in subscribers, while private companies continued to lose.

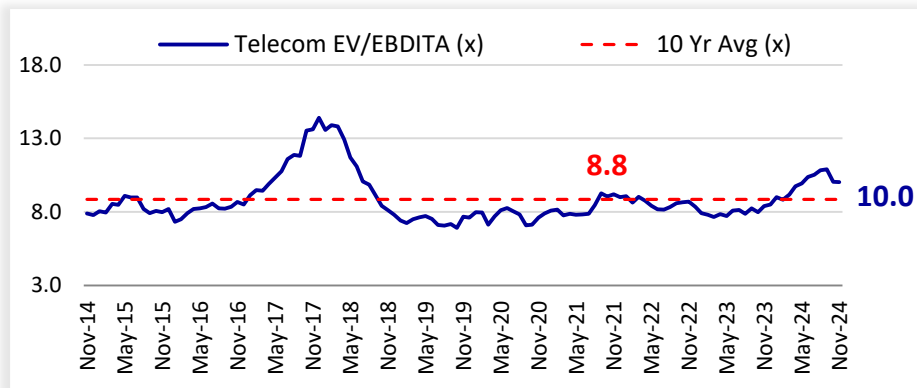
12-month forward Telecom P/B (x)



Telecom P/B relative to Nifty P/B (%)



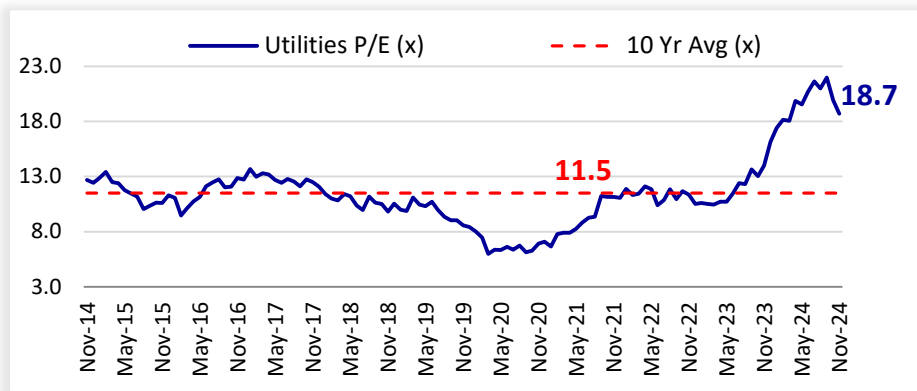
12-month forward Telecom EV/EBITDA (x)



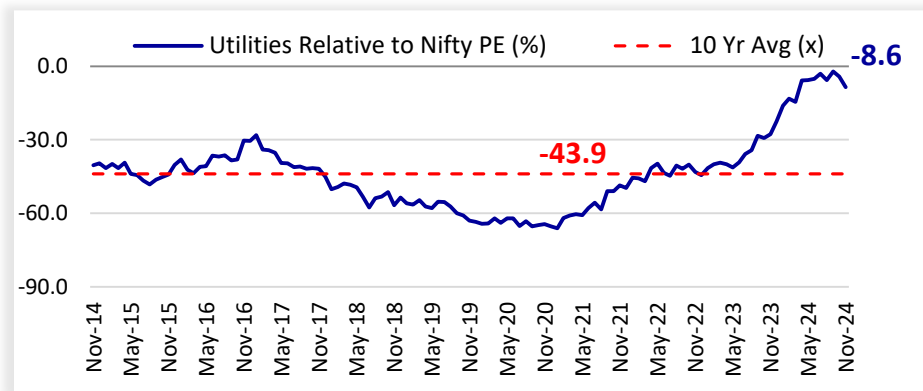


- The sector is trading at a P/B of 2.7x (at an 82% premium) and a P/E of 18.7x (at a 63% premium) vs. its historical average of 1.5x P/B and 11.5x P/E, respectively.
- Despite the upward trend in peak power demand over the years, Oct'24 observed a slight decline in peak demand, which fell to 219GW (Oct'23: 221GW).
- Total power generation in India witnessed modest growth of 1% YoY in Oct'24, reaching 149.9BUs.
- There was an addition of 1,454Ckms of transmission lines during Oct'24.
- The RE sector witnessed a generation capacity addition of 1.71GW during Oct'24, reflecting ongoing investments in renewable energy infrastructure.

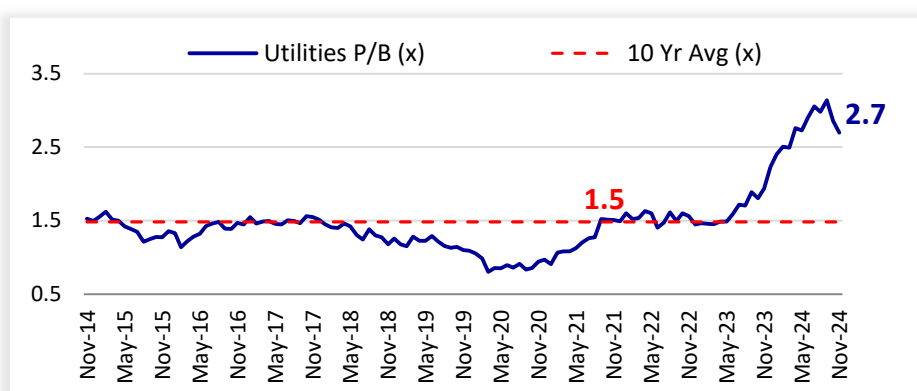
12-month forward Utilities P/E (x)



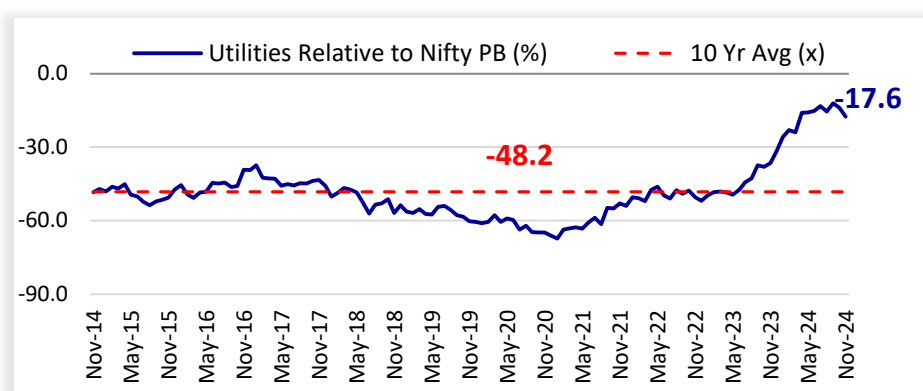
Utilities P/E relative to Nifty P/E (%)



12-month forward Utilities P/B (x)



Utilities P/B relative to Nifty P/B (%)





Company	PE (x)			PE Std. Deviation		Relative to Nifty P/E (%)		PB (x)			PB Std. Deviation		Relative to Nifty P/B (%)	
	Current	10 Yr Avg	Prem/Disc (%)	+1SD (x)	-1SD (x)	Current	10 Yr Avg	Current	10 Yr Avg	Prem/Disc (%)	+1SD (x)	-1SD (x)	Current	10 Yr Avg
Automobiles	23.8	27.6	-14	36.4	18.8	16	34	4.3	3.5	24	4.1	2.9	31	22
Amara Raja Energy	21.8	22.7	-4	30.4	15.0	6	11	2.8	3.6	-21	5.3	1.9	-13	28
Ashok Leyland	20.5	21.4	-5	27.1	15.8	0	4	6.0	4.3	38	5.3	3.3	82	53
Apollo Tyres	19.3	15.5	24	20.7	10.3	-6	-25	1.6	1.1	43	1.5	0.8	-50	-59
Balkrishna Inds	27.2	22.5	21	31.5	13.6	33	10	4.8	4.0	20	5.3	2.7	46	41
Bajaj Auto	25.1	18.6	35	22.5	14.6	23	-10	8.5	4.7	82	6.3	3.1	161	66
Bharat Forge	37.4	43.6	-14	68.4	18.8	83	112	7.2	5.4	33	6.9	3.9	120	91
Bosch	42.2	38.8	9	45.7	31.8	106	89	7.3	5.6	30	7.1	4.1	124	99
CEAT	19.1	18.6	3	30.3	6.9	-7	-9	2.6	1.8	45	2.2	1.3	-22	-37
Craftsman Auto	30.1	27.2	11	35.2	19.3	47	33	3.6	3.8	-6	4.4	3.2	10	35
Eicher Motors	28.9	31.7	-9	37.3	26.0	41	54	5.8	7.1	-19	9.7	4.5	77	152
Endurance Tech.	33.3	33.2	0	40.1	26.3	63	62	5.3	5.0	5	6.1	3.9	61	77
Escorts Kubota	32.4	18.1	78	27.2	9.0	58	-12	4.0	2.2	81	3.2	1.2	22	-22
Exide Inds.	29.8	21.4	39	26.8	16.0	46	4	2.6	2.4	9	3.2	1.5	-21	-16
Hero MotoCorp	19.7	18.4	7	21.5	15.2	-4	-11	4.8	4.5	6	5.7	3.2	46	59
CIE Automotive	19.8	24.5	-19	34.4	14.7	-3	19	2.6	2.2	15	3.1	1.4	-22	-22
Mahindra & Mahindra	26.8	18.7	43	22.5	14.9	31	-9	5.2	2.8	84	3.6	2.0	58	-1
Maruti Suzuki	23.0	30.3	-24	40.4	20.2	12	48	3.5	4.1	-15	4.8	3.3	6	45
MRF	25.6	23.8	8	34.9	12.7	25	16	2.7	2.4	15	2.8	1.9	-17	-17
Samvardhana	24.3	44.1	-45	68.9	19.3	19	115	3.1	3.2	-3	4.4	1.9	-6	12
Sona BLW Precis.	53.5	67.8	-21	85.7	49.8	161	230	11.0	12.5	-12	15.2	9.7	237	341
Tata Motors	12.4	17.0	-27	24.3	9.7	-39	-17	2.4	2.1	14	3.0	1.2	-27	-26
Tube Investments	61.7	43.6	42	68.6	18.6	202	112	10.4	7.2	44	10.7	3.7	217	155
TVS Motor	38.6	31.9	21	40.0	23.8	89	55	9.9	6.9	44	8.9	4.9	203	145
Banks-Private	16.4	21.1	-22	26.4	15.8	-20	3	2.4	2.5	-7	2.8	2.2	-28	-10
AU Small Finance	15.8	28.6	-45	38.5	18.8	-23	39	2.3	4.1	-42	5.2	2.9	-28	44
Axis Bank	12.1	38.3	-68	90.1	-13.6	-41	86	1.8	2.0	-10	2.3	1.7	-45	-29
Bandhan Bank	6.6	22.4	-71	32.5	12.2	-68	9	1.0	3.1	-67	4.7	1.4	-69	9
DCB Bank	5.4	12.4	-56	17.9	6.9	-73	-40	0.7	1.2	-47	1.8	0.7	-80	-56
Equitas Small Fin.	10.5	15.7	-33	22.0	9.5	-49	-23	1.1	1.4	-23	1.7	1.1	-67	-51
Federal Bank	11.0	11.9	-8	16.9	6.9	-46	-42	1.4	1.2	22	1.5	0.9	-56	-59
HDFC Bank	18.7	20.7	-10	23.2	18.2	-9	1	2.6	3.2	-19	3.6	2.7	-22	12
ICICI Bank	18.4	21.7	-15	31.6	11.7	-10	6	3.0	2.2	38	2.7	1.6	-9	-24
IDFC First Bank	13.0	19.9	-35	27.5	12.4	-37	-3	1.2	1.3	-8	1.6	1.0	-63	-53
IndusInd Bank	8.5	18.8	-55	26.0	11.6	-58	-8	1.0	2.4	-57	3.4	1.4	-68	-16
Kotak Mah. Bank	17.0	26.6	-36	31.7	21.5	-17	30	2.2	3.3	-35	3.8	2.8	-34	17
RBL Bank	6.3	24.8	-75	40.3	9.3	-69	21	0.6	1.6	-64	2.6	0.6	-82	-44



Company	PE (x)			PE Std. Deviation		Relative to Nifty P/E (%)		PB (x)			PB Std. Deviation		Relative to Nifty P/B (%)	
	Current	10 Yr Avg	Prem/Disc (%)	+1SD (x)	-1SD (x)	Current	10 Yr Avg	Current	10 Yr Avg	Prem/Disc (%)	+1SD (x)	-1SD (x)	Current	10 Yr Avg
Banks-PSU	7.5	8.9	-15	13.7	4.0	-63	-57	1.2	0.9	40	1.1	0.6	-63	-70
Bank of Baroda	6.5	5.6	15	7.1	4.0	-68	-73	0.9	0.8	19	1.0	0.6	-71	-72
Canara Bank	5.2	4.5	17	5.4	3.5	-74	-78	0.9	0.6	40	0.8	0.4	-73	-78
Indian Bank	7.0	10.0	-29	19.9	0.0	-66	-52	1.1	0.6	78	0.9	0.3	-66	-78
Punjab Natl.Bank	7.0	10.7	-34	14.5	6.9	-66	-48	0.9	0.8	21	1.1	0.4	-72	-73
St Bk of India	8.8	12.0	-27	19.0	4.9	-57	-42	1.4	1.1	26	1.4	0.9	-56	-60
Union Bank (I)	5.6	6.2	-9	9.4	3.0	-73	-70	0.8	0.6	35	0.8	0.4	-75	-79
NBFC	13.0	12.4	5	14.7	10.1	-36	-40	2.0	1.8	10	2.1	1.5	-39	-36
360 ONE WAM	36.6	24.2	52	31.0	17.4	79	18	6.5	4.3	53	5.2	3.3	99	51
AAVAS Financiers	19.8	35.9	-45	47.8	24.0	-3	75	2.7	4.5	-40	6.0	3.1	-16	61
Aditya Birla Cap	12.4	18.4	-32	26.0	10.7	-39	-11	1.5	1.9	-16	2.7	1.0	-53	-35
Angel One	15.8	12.1	31	16.3	8.0	-23	-41	3.7	4.0	-8	5.2	2.7	12	40
Bajaj Fin.	20.7	31.1	-33	41.0	21.2	1	51	3.7	5.2	-29	7.0	3.4	13	83
Cams Services	43.7	36.8	19	45.6	28.0	113	79	19.8	15.1	31	18.6	11.5	504	432
Can Fin Homes	11.8	13.7	-14	17.9	9.5	-43	-33	1.9	2.4	-20	3.2	1.6	-41	-15
Cholaman.Inv.&Fn	19.2	18.7	3	22.5	14.9	-6	-9	3.6	3.2	12	4.0	2.4	11	14
CreditAccess	10.0	24.9	-60	40.2	9.6	-51	21	1.7	2.6	-36	3.2	2.1	-49	-7
Five-Star Business	16.0	20.3	-21	22.2	18.3	-22	-1	2.7	3.4	-20	3.7	3.0	-17	19
Fusion Finance	9.8	18.5	-47	33.5	3.4	-52	-10	0.7	1.7	-63	2.3	1.2	-80	-38
Home First Fin.	21.3	24.4	-13	27.9	20.9	4	19	3.4	3.4	1	3.8	3.0	4	19
IndoStar Capital	18.4	16.5	12	20.1	12.9	-10	-20	1.0	1.0	4	1.3	0.7	-68	-65
L&T Finance	10.9	14.7	-26	18.0	11.5	-47	-28	1.3	1.5	-13	2.0	1.0	-61	-48
LIC Housing Fin.	6.8	9.6	-29	13.2	6.0	-67	-53	0.9	1.4	-32	2.0	0.7	-72	-52
M & M Fin. Serv.	11.8	17.1	-31	24.1	10.2	-42	-16	1.5	1.5	4	1.7	1.2	-54	-49
Manappuram Finance	5.7	7.5	-24	9.9	5.2	-72	-63	0.9	1.4	-37	1.9	0.9	-73	-50
MAS Financial	13.5	21.2	-36	27.0	15.3	-34	3	1.8	3.0	-39	3.8	2.2	-44	7
Muthoot Finance	13.4	10.3	30	13.0	7.5	-35	-50	2.4	2.0	21	2.5	1.5	-25	-28
PFC	9.2	3.8	141	5.8	1.8	-55	-81	1.6	0.6	153	1.0	0.3	-50	-77
Piramal Enterprises	23.1	16.6	39	22.4	10.9	13	-19	1.0	0.8	25	0.9	0.6	-71	-73
PNB Housing	10.7	11.1	-4	16.6	5.7	-48	-46	1.3	1.2	2	2.0	0.5	-61	-56
Poonawalla Fincorp	34.2	39.7	-14	78.5	0.8	67	93	3.1	2.1	44	3.3	1.0	-6	-24
REC	8.0	3.7	119	5.6	1.7	-61	-82	1.6	0.7	138	1.0	0.3	-52	-77
Repco Home Fin	7.0	12.3	-43	20.7	3.9	-66	-40	0.9	1.8	-53	3.2	0.4	-74	-36
Shriram Finance	12.0	10.5	14	13.6	7.4	-41	-49	1.9	1.4	31	1.8	1.0	-43	-49
Spandana Sphoorty	9.2	44.2	-79	82.5	5.9	-55	115	0.7	1.4	-50	2.0	0.9	-78	-49



Company	PE (x)			PE Std. Deviation		Relative to Nifty P/E (%)		PB (x)			PB Std. Deviation		Relative to Nifty P/B (%)	
	Current	10 Yr Avg	Prem/Disc (%)	+1SD (x)	-1SD (x)	Current	10 Yr Avg	Current	10 Yr Avg	Prem/Disc (%)	+1SD (x)	-1SD (x)	Current	10 Yr Avg
Capital Goods	41.7	28.7	45	34.6	22.9	104	40	7.6	4.0	91	5.4	2.6	133	42
ABB India	75.9	79.9	-5	99.1	60.7	271	289	17.5	9.1	93	12.8	5.3	434	220
Bharat Electronics	40.2	11.6	246	21.9	1.3	96	-43	9.5	2.6	271	5.1	0.0	190	-10
Cummins India	41.6	30.0	39	37.7	22.4	103	46	12.7	6.3	102	8.9	3.7	288	122
Hitachi Energy	93.0	81.0	15	118.0	44.1	354	295	24.0	11.6	107	18.7	4.5	632	309
KEC International	30.7	24.1	27	37.6	10.6	50	17	4.8	2.9	63	3.7	2.2	45	3
Kalpataru Proj.	19.6	15.2	29	19.0	11.4	-4	-26	2.7	1.7	59	2.2	1.1	-19	-41
Kirloskar Oil	27.0	19.1	42	26.8	11.3	32	-7	4.9	2.3	117	3.5	1.0	50	-20
Larsen & Toubro	29.0	23.4	24	27.9	18.9	42	14	4.7	3.0	58	3.9	2.1	45	6
Siemens	90.9	63.3	44	82.1	44.5	344	208	16.0	7.1	124	10.0	4.3	387	152
Thermax	60.2	44.7	35	54.6	34.8	194	118	9.4	4.9	94	6.8	2.9	187	72
Triveni Turbine	57.2	34.1	68	43.1	25.1	180	66	16.9	8.8	92	12.4	5.2	417	211
Zen Technologies	46.9	39.0	20	57.9	20.2	129	90	8.6	4.6	87	6.3	2.9	162	62
Cement	38.0	28.1	35	35.4	20.8	86	37	3.2	2.6	22	3.1	2.2	-1	-7
ACC	22.3	27.8	-20	35.5	20.2	9	36	2.2	2.7	-17	3.2	2.3	-31	-4
Ambuja Cem.	44.2	32.1	38	44.5	19.7	116	56	2.3	2.3	0	2.8	1.8	-29	-18
Birla Corpn.	25.7	29.1	-12	58.4	-0.2	26	42	1.4	1.3	9	1.6	0.9	-58	-56
Grasim Inds	27.6	15.0	84	20.9	9.1	35	-27	3.1	1.9	69	2.4	1.3	-4	-34
India Cements	na	43.1	na	71.4	14.8	na	110	2.3	0.9	145	1.4	0.5	-30	-67
J K Cements	37.9	31.2	21	46.3	16.2	85	52	5.2	3.5	46	4.7	2.4	58	25
JK Lakshmi Cem.	22.7	35.5	-36	67.9	3.2	11	73	2.5	2.6	-5	3.3	1.9	-23	-7
Shree Cement	82.2	47.5	73	62.3	32.7	302	131	4.4	5.3	-17	6.2	4.4	34	87
The Ramco Cement	55.5	35.5	56	52.0	19.0	171	73	3.0	3.1	-3	3.7	2.5	-9	9
UltraTech Cem.	40.0	34.8	15	42.7	26.9	96	70	4.4	3.6	25	4.1	3.0	35	26
Consumer	44.5	41.8	7	45.5	38.0	117	103	10.9	10.3	6	11.2	9.4	232	263
Consumer Ex ITC	51.9	51.9	0	58.6	45.2	154	153	12.2	13.2	-8	14.5	12.0	271	368
Asian Paints	47.1	55.8	-16	67.0	44.6	130	172	11.8	14.3	-17	17.0	11.6	261	406
Britannia Inds.	48.2	47.2	2	55.1	39.4	136	130	24.6	20.7	19	27.7	13.6	653	631
Colgate-Palm.	48.7	40.6	20	46.0	35.1	138	98	33.2	24.5	36	29.9	19.1	915	766
Dabur India	44.6	46.2	-3	54.6	37.7	118	125	8.4	10.5	-21	11.6	9.4	155	271
Emami	31.0	28.2	10	36.8	19.6	52	37	9.8	8.5	16	10.5	6.5	200	200
Godrej Consumer	51.4	45.4	13	54.1	36.7	151	121	8.7	7.0	25	9.4	4.6	167	146
Hind. Unilever	50.8	52.9	-4	60.9	44.8	148	157	11.2	21.5	-48	33.4	9.7	242	661
Indigo Paints	41.0	66.9	-39	101.0	32.7	100	226	6.1	9.7	-37	14.0	5.4	87	243
ITC	26.9	24.0	12	29.0	19.0	32	17	7.5	5.7	31	6.8	4.5	128	101
Jyothy Lab.	36.8	34.2	8	44.1	24.4	80	67	7.6	5.2	45	6.9	3.6	132	85
Marico	47.2	42.8	10	48.9	36.7	131	108	20.1	15.5	30	18.1	12.9	515	449



Company	PE (x)			PE Std. Deviation		Relative to Nifty P/E (%)		PB (x)			PB Std. Deviation		Relative to Nifty P/B (%)	
	Current	10 Yr Avg	Prem/Disc (%)	+1SD (x)	-1SD (x)	Current	10 Yr Avg	Current	10 Yr Avg	Prem/Disc (%)	+1SD (x)	-1SD (x)	Current	10 Yr Avg
Nestle India	60.3	59.5	1	70.6	48.3	195	190	46.4	48.5	-4	72.4	24.5	1319	1613
P & G Hygiene	57.6	65.0	-12	75.2	54.9	181	217	48.4	41.0	18	55.0	27.0	1379	1349
Page Industries	65.3	66.5	-2	80.0	53.1	219	224	25.6	27.9	-8	33.9	21.9	682	886
Pidilite Inds.	65.5	59.2	11	78.0	40.4	220	188	15.2	13.1	16	15.8	10.5	365	364
Tata Consumer	52.3	47.5	10	62.7	32.3	155	131	3.7	3.2	17	4.4	2.0	14	13
United Breweries	69.8	93.3	-25	125.6	61.1	241	355	10.8	9.6	12	11.0	8.2	230	239
United Spirits	75.0	62.6	20	75.0	50.3	266	205	11.9	13.3	-11	19.0	7.7	263	372
Varun Beverages	66.1	46.7	41	58.3	35.1	223	128	12.9	9.0	43	13.5	4.5	293	217
Consumer Durables	53.7	33.5	60	45.1	21.9	162	63	9.7	5.4	81	7.3	3.4	196	90
Havells India	62.0	50.4	23	64.7	36.1	203	146	11.7	9.1	28	11.5	6.7	256	221
KEI Industries	50.2	19.2	162	31.8	6.6	145	-7	9.1	3.6	153	5.8	1.3	177	26
Polycab India	51.2	28.1	82	39.7	16.6	150	37	10.2	5.3	92	7.8	2.8	211	87
Voltas	51.7	48.3	7	75.3	21.3	153	135	7.6	4.7	60	6.1	3.3	131	67
Chemicals	35.2	24.5	44	34.8	14.2	72	19	4.0	3.2	25	4.4	2.1	23	14
Alkyl Amines	42.2	34.8	21	64.0	5.5	106	69	6.7	6.5	2	11.2	1.8	104	131
Atul	34.2	30.1	14	46.1	14.0	67	46	3.6	3.7	-1	4.7	2.6	11	30
Deepak Nitrite	37.6	22.1	70	33.4	10.9	84	8	6.0	3.9	55	6.1	1.7	85	38
Fine Organic	41.4	33.1	25	42.0	24.1	102	61	6.4	7.6	-16	9.1	6.1	95	169
Galaxy Surfactants	25.4	25.7	-1	31.7	19.7	24	25	3.8	4.6	-18	5.6	3.7	16	63
Navin Fluorine	47.4	35.7	33	61.5	10.0	132	74	6.2	5.0	26	7.8	2.1	90	75
NOCIL	31.5	19.0	66	27.7	10.3	54	-8	2.4	2.0	23	2.6	1.3	-26	-31
P I Inds.	32.4	32.3	0	37.9	26.7	58	57	5.4	5.9	-10	6.9	5.0	64	109
SRF	38.8	26.4	47	40.5	12.3	89	29	5.1	4.1	26	5.8	2.3	56	44
Tata Chemicals	25.9	13.8	88	22.6	5.0	27	-33	1.2	0.8	50	1.1	0.5	-63	-71
Vinati Organics	38.5	34.7	11	48.8	20.6	88	69	6.3	6.5	-3	8.4	4.6	92	129
EMS	73.3	38.9	88	56.0	21.9	258	89	13.1	5.1	156	7.8	2.4	301	81
Amber Enterp.	59.9	50.7	18	72.2	29.1	193	147	7.9	4.1	91	5.7	2.6	142	46
Avalon Tech	68.4	65.5	5	83.8	47.1	234	219	9.3	5.9	59	6.8	4.9	185	107
Cyient DLM	33.5	50.5	-34	61.2	39.7	64	146	4.8	5.3	-8	5.8	4.7	48	87
Data Pattern	52.9	49.4	7	62.9	35.8	159	141	8.1	6.7	21	9.1	4.4	148	138
Dixon Tech.	97.0	57.2	70	94.7	19.6	374	179	29.8	12.9	131	21.3	4.5	809	355
Kaynes Tech	73.6	50.9	45	64.8	36.9	260	148	11.8	5.9	99	8.9	3.0	261	109
Syrma SGS Tech.	43.5	52.8	-18	66.0	39.5	112	157	5.2	4.6	15	5.8	3.3	60	61
Healthcare	32.6	26.9	21	31.2	22.5	60	31	4.9	3.9	27	4.7	3.0	50	36
Ajanta Pharma	35.8	24.6	45	30.1	19.2	75	20	7.9	5.7	39	7.6	3.8	143	101
Alembic Pharma	30.4	23.0	32	30.2	15.9	49	12	3.7	4.0	-6	5.3	2.6	14	40
Alkem Lab	27.8	24.4	14	29.9	18.9	36	19	5.0	4.2	20	4.8	3.6	54	48
Apollo Hospitals	58.6	81.9	-28	112.3	51.5	186	299	10.1	6.9	47	9.2	4.5	209	142
Aurobindo Pharma	18.6	16.1	15	20.0	12.3	-9	-21	2.1	2.7	-23	4.0	1.3	-37	-6



Company	PE (x)			PE Std. Deviation		Relative to Nifty P/E (%)		PB (x)			PB Std. Deviation		Relative to Nifty P/B (%)	
	Current	10 Yr Avg	Prem/Disc (%)	+1SD (x)	-1SD (x)	Current	10 Yr Avg	Current	10 Yr Avg	Prem/Disc (%)	+1SD (x)	-1SD (x)	Current	10 Yr Avg
Biocon	93.3	60.4	55	93.5	27.2	356	194	2.1	3.5	-40	5.2	1.9	-36	25
Cipla	25.3	27.2	-7	33.2	21.1	23	32	3.7	3.3	10	4.0	2.7	12	18
Divi's Lab.	67.6	37.0	83	52.0	22.0	231	80	10.1	6.3	59	8.3	4.4	209	124
Dr Reddy's Labs	15.8	25.3	-38	34.7	15.9	-23	23	2.7	3.5	-23	4.3	2.7	-18	23
ERIS Lifescience	39.7	26.4	50	32.8	20.0	94	28	6.1	5.3	15	7.2	3.4	88	89
Gland Pharma	30.7	41.2	-25	54.4	28.0	50	101	2.8	4.6	-39	6.6	2.5	-14	62
Glaxosmit Pharma	45.1	54.7	-18	72.7	36.7	120	166	16.7	13.0	28	15.5	10.6	409	361
Glenmark Pharma.	27.0	23.0	18	30.1	15.8	32	12	4.2	3.1	35	4.7	1.4	27	9
Granules India	22.3	16.1	39	21.7	10.5	9	-22	3.4	2.5	34	3.3	1.8	5	-10
Ipca Labs.	37.4	32.1	16	45.3	18.9	83	56	5.1	3.6	41	4.5	2.7	55	27
Laurus Labs	60.2	39.8	51	64.5	15.2	194	94	6.4	4.6	41	6.6	2.5	97	61
Lupin	28.2	38.7	-27	54.3	23.2	38	89	4.8	3.9	24	5.4	2.4	46	37
Max Healthcare	53.6	36.7	46	48.0	25.4	162	79	7.9	5.0	57	6.8	3.3	142	78
Sun Pharma.Inds.	31.8	29.8	7	38.6	21.1	56	45	5.2	3.9	33	5.2	2.6	59	39
Torrent Pharma.	45.7	32.6	40	40.0	25.1	123	59	6.1	6.3	-3	7.4	5.1	85	122
Zyodus Lifesciences	20.1	20.4	-1	25.2	15.7	-2	0	3.4	3.7	-7	5.1	2.4	5	31
Infrastructure	23.6	11.7	102	19.3	4.2	16	-43	2.1	1.3	64	1.8	0.7	-37	-56
IRB Infra.Devl.	28.2	17.4	62	26.7	8.2	38	-15	2.1	1.2	73	1.8	0.6	-35	-56
KNR Construct.	20.3	14.4	41	18.8	10.0	-1	-30	2.2	2.2	0	2.7	1.7	-33	-22
Media	18.7	25.1	-26	29.5	20.8	-9	22	1.8	3.7	-51	5.5	1.9	-45	31
PVR Inox	75.9	44.7	70	59.7	29.8	271	118	2.0	3.9	-49	5.3	2.5	-39	37
Sun TV Network	14.7	15.6	-6	21.1	10.2	-28	-24	2.4	3.5	-30	5.1	1.9	-26	23
Zee Entertainment	14.7	35.2	-58	48.9	21.5	-28	72	1.0	3.9	-73	6.1	1.7	-68	38
Logistics	24.2	21.2	14	25.2	17.3	18	3	4.1	3.4	21	4.1	2.6	25	19
Adani Ports	20.8	18.7	11	23.0	14.3	2	-9	3.7	3.3	10	4.1	2.5	12	18
Blue Dart Expres	41.0	77.2	-47	123.6	30.8	100	276	9.7	15.7	-38	23.6	7.8	197	455
Container Corpn.	30.3	32.4	-7	38.2	26.6	48	58	3.8	3.3	15	3.9	2.7	16	17
TCI Express	23.6	35.5	-33	45.7	25.2	15	73	3.7	7.9	-52	10.0	5.8	14	179
Transport Corp.	17.7	15.1	17	19.4	10.9	-14	-26	3.1	2.4	26	3.1	1.8	-6	-14
VRL Logistics	26.6	34.3	-23	46.6	22.1	30	67	4.5	4.8	-6	6.1	3.5	37	69
Mahindra Logis.	30.0	58.0	-48	71.1	44.9	47	182	4.8	6.2	-23	7.6	4.8	47	119
Metals	11.3	10.9	4	14.5	7.3	-45	-47	2.2	1.6	38	2.0	1.2	-32	-43
Coal India	6.5	9.6	-32	15.0	4.2	-68	-53	2.3	4.5	-49	7.1	1.8	-31	58
Hindalco Inds.	10.1	9.2	10	11.4	7.0	-51	-55	1.4	1.2	24	1.5	0.8	-56	-59
Hind.Zinc	18.0	13.3	36	17.0	9.5	-12	-35	12.2	5.3	131	9.3	1.3	273	87
Jindal Steel	11.2	8.3	34	12.9	3.8	-45	-59	1.7	0.8	107	1.3	0.3	-49	-72



Company	PE (x)			PE Std. Deviation		Relative to Nifty P/E (%)		PB (x)			PB Std. Deviation		Relative to Nifty P/B (%)	
	Current	10 Yr Avg	Prem/Disc (%)	+1SD (x)	-1SD (x)	Current	10 Yr Avg	Current	10 Yr Avg	Prem/Disc (%)	+1SD (x)	-1SD (x)	Current	10 Yr Avg
JSW Steel	17.3	14.9	17	23.6	6.2	-15	-27	2.5	1.9	34	2.4	1.3	-24	-34
Natl. Aluminium	16.2	11.1	46	19.2	3.1	-21	-46	2.5	1.1	124	1.5	0.7	-25	-61
NMDC	8.9	6.1	46	8.4	3.8	-57	-70	2.0	1.2	64	1.6	0.8	-39	-57
SAIL	14.6	18.4	-21	31.2	5.7	-29	-10	0.8	0.6	24	0.8	0.4	-76	-77
Tata Steel	14.4	15.8	-8	29.2	2.3	-29	-23	2.0	1.3	58	1.8	0.7	-40	-56
Vedanta	10.7	10.1	6	15.0	5.3	-47	-51	4.4	1.9	135	3.1	0.7	36	-33
Oil & Gas	15.0	12.6	19	15.6	9.5	-27	-39	1.6	1.5	7	1.7	1.3	-52	-48
Oil & Gas Ex RIL	9.0	8.7	4	11.6	5.7	-56	-58	1.2	1.2	-4	1.5	0.9	-64	-57
Aegis Logistics	46.4	31.2	49	43.4	18.9	127	52	6.9	4.3	63	5.5	3.0	112	51
B P C L	11.9	9.8	22	14.7	4.8	-42	-52	1.5	1.9	-20	2.4	1.3	-54	-34
Castrol India	21.3	22.8	-6	30.5	15.1	4	11	8.5	13.9	-39	23.3	4.5	159	392
GAIL (India)	11.5	10.7	7	14.3	7.2	-44	-48	1.7	1.3	30	1.6	1.0	-49	-54
Gujarat Gas	24.1	24.9	-3	33.4	16.3	18	21	3.6	4.7	-23	5.8	3.6	10	65
Guj.St.Petronet	27.4	14.8	85	18.8	10.9	34	-28	1.8	1.7	5	1.9	1.5	-46	-40
H P C L	12.7	6.7	91	10.8	2.5	-38	-68	1.5	1.2	24	1.7	0.8	-53	-56
I O C L	20.7	9.8	112	19.8	-0.3	1	-53	1.0	1.0	4	1.3	0.6	-69	-66
Indraprastha Gas	13.9	20.8	-33	26.1	15.4	-32	1	2.2	4.0	-44	4.9	3.0	-33	40
Mahanagar Gas	10.3	13.8	-25	17.8	9.7	-50	-33	1.9	2.9	-35	3.8	2.0	-43	3
M R P L	21.1	14.2	49	32.3	-4.0	3	-31	1.9	1.4	31	1.9	0.9	-43	-49
Oil India	10.3	6.5	58	9.2	3.8	-50	-68	1.5	0.8	92	1.1	0.5	-54	-72
O N G C	5.7	6.9	-17	10.2	3.6	-72	-66	0.8	0.9	-5	1.2	0.6	-75	-69
Petronet LNG	11.4	12.3	-7	14.7	9.9	-44	-40	2.4	2.7	-9	3.3	2.1	-26	-6
Reliance Inds.	21.8	17.5	24	24.2	10.8	6	-15	1.9	1.5	26	1.9	1.1	-41	-46
Real Estate	43.3	29.5	47	40.9	18.1	111	44	4.8	2.1	126	3.3	1.0	47	-25
Brigade Enterpr.	29.5	25.3	17	36.1	14.4	44	23	3.9	2.0	95	2.9	1.1	20	-29
DLF	51.0	44.5	15	71.3	17.7	149	117	3.3	1.4	129	2.3	0.6	1	-49
Godrej Properties	70.9	74.7	-5	99.5	49.8	246	264	6.4	5.2	22	7.1	3.4	96	85
Macrotech Developers	40.0	37.5	7	45.9	29.2	95	83	5.5	4.2	31	5.4	3.0	69	49
Mahindra Lifespace	na	7.0	na	11.1	3.0	na	-66	3.9	1.5	156	3.1	-0.1	18	-47
Oberoi Realty	25.9	22.2	17	26.3	18.2	27	8	4.1	2.3	81	2.9	1.6	25	-20
Prestige Estates	68.4	28.8	137	45.3	12.3	234	40	3.5	1.9	86	2.6	1.2	7	-33
Phoenix Mills	43.8	41.4	6	69.1	13.8	114	102	5.2	2.7	90	3.7	1.8	59	-3
Sobha	28.6	32.2	-11	52.8	11.6	40	57	3.9	2.0	102	2.9	1.0	21	-31
Sunteck Realty	21.2	50.5	-58	73.7	27.3	4	146	2.1	1.9	10	2.4	1.5	-35	-32



Company	PE (x)			PE Std. Deviation		Relative to Nifty P/E (%)		PB (x)			PB Std. Deviation		Relative to Nifty P/B (%)	
	Current	10 Yr Avg	Prem/Disc (%)	+1SD (x)	-1SD (x)	Current	10 Yr Avg	Current	10 Yr Avg	Prem/Disc (%)	+1SD (x)	-1SD (x)	Current	10 Yr Avg
Retail	85.1	83.2	2	133.9	32.5	316	305	15.2	9.6	58	13.7	5.5	364	239
Aditya Birla Fashion	na	96.6	na	144.2	48.9	na	370	8.8	8.3	7	10.9	5.6	170	193
Bata India	55.3	51.9	7	70.4	33.4	170	153	9.6	9.4	3	13.2	5.6	195	232
Avenue Supermarts	71.9	99.6	-28	121.5	77.7	251	385	10.1	12.8	-21	15.6	10.1	208	353
Jubilant	94.0	74.0	27	106.6	41.3	359	260	17.8	13.0	36	19.0	7.1	443	361
Kalyan Jewellers	73.2	31.7	131	50.2	13.2	258	54	14.4	4.9	190	8.9	1.0	339	75
Relaxo Footwear	68.8	75.6	-9	118.2	32.9	236	268	7.3	10.0	-27	12.8	7.3	123	255
Senco Gold	31.8	26.9	18	33.3	20.4	55	31	5.1	4.2	21	5.4	3.1	57	49
Shoppers Stop	167.9	105.2	59	175.0	35.5	720	413	12.9	11.5	12	18.4	4.6	293	307
Trent	113.5	89.6	27	112.4	66.7	455	336	30.8	9.8	214	17.0	2.7	841	247
Titan	64.9	60.7	7	77.6	43.8	217	195	20.2	15.0	35	21.3	8.7	518	431
Vedant Fashions	67.3	66.0	2	75.6	56.4	229	221	17.9	18.0	-1	20.8	15.2	446	536
V-Mart Retail	na	43.4	na	73.4	13.4	na	111	9.3	6.0	56	8.3	3.7	184	111
Technology	28.3	20.8	36	25.7	15.9	38	1	9.0	5.7	58	7.4	4.0	175	102
Coforge	41.7	22.8	83	33.7	12.0	104	11	12.5	5.1	144	8.2	2.0	282	81
Cyient	23.0	17.9	28	23.6	12.3	12	-13	4.2	2.9	46	3.9	1.9	29	2
HCL Technologies	26.7	16.7	60	20.8	12.7	31	-18	7.5	3.9	91	5.1	2.8	130	39
Infosys	27.1	20.5	32	25.6	15.5	33	0	8.7	5.6	56	7.6	3.5	166	97
LTI Mindtree	33.8	23.9	41	33.9	13.9	65	17	7.3	9.6	-24	12.4	6.8	123	241
L&T Technology	37.3	27.3	37	37.0	17.5	82	33	8.3	6.6	26	8.7	4.5	155	133
Mphasis	29.7	19.8	50	27.6	12.0	45	-4	5.6	3.6	54	5.4	1.9	71	29
Persistent Sys	55.5	25.2	120	37.0	13.4	171	23	14.0	4.7	197	7.9	1.5	326	66
TCS	28.2	24.0	18	28.7	19.3	38	17	15.5	10.0	54	13.5	6.5	373	255
Tech Mahindra	29.3	17.9	63	23.9	12.0	43	-13	5.4	3.2	68	4.1	2.3	66	14
Wipro	24.2	17.9	35	22.5	13.4	18	-13	4.1	3.0	37	3.6	2.3	24	5
Zensar Tech.	24.8	16.5	50	22.1	10.9	21	-19	3.9	2.5	57	3.2	1.8	20	-12
Telecom	na	38.3	na	49.5	27.0	na	86	43.8	18.3	139	40.7	-4.1	1239	548
Bharti Airtel	38.5	40.1	-4	51.8	28.3	88	95	8.6	3.8	124	5.9	1.8	162	35
Indus Towers	14.9	18.4	-19	26.3	10.4	-27	-11	2.6	3.4	-23	4.4	2.4	-20	20
Vodafone Idea	na	20.6	na	29.0	12.3	na	1	na	1.2	na	2.3	0.1	na	-58
Tata Comm	34.5	31.2	11	46.2	16.1	69	52	15.2	25.5	-40	39.5	11.4	365	800
Utilities	18.7	11.5	63	14.8	8.2	-9	-44	2.7	1.5	82	2.0	1.0	-18	-48
Indian Energy Exchange	36.0	27.7	30	47.3	8.1	76	35	12.1	10.5	15	17.8	3.3	270	272
JSW Energy	36.1	22.4	61	33.0	11.8	77	9	4.6	1.8	160	2.9	0.6	39	-38
NTPC	15.0	9.5	57	12.4	6.7	-27	-54	1.9	1.1	74	1.5	0.8	-41	-61
Power Grid Corpn	18.2	9.3	96	12.4	6.1	-11	-55	3.3	1.6	110	2.2	1.0	1	-44
Tata Power Co.	25.4	18.6	36	24.4	12.9	24	-9	3.3	1.8	86	2.5	1.0	0	-38

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November 2024

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